Financial statements

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Independent auditor's report to the members of Airtel Africa plc

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Airtel Africa Plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flow; and
- the related notes 1 to 34 of the group financial statements and the related notes 1 to 11 of the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group and the parent company for the year are disclosed in note 8.1 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Prepaid and mobile money revenue; • Mobile money restricted cash; • Classification of legal matters; and • Devaluation of the Nigerian naira. Within this report, key audit matters are identified as follows: • Newly identified • Increased level of risk • Similar level of risk • Decreased level of risk
Materiality	The materiality that we used for the group financial statements was $65m, determined using a range of metrics. Materiality represents 1.3% of revenue, 2.7% of EBITDA, 2.8% of net assets, 8.7% of underlying profit before tax and 0.7% of total assets.
Scoping	In the current year the GSM (also known as mobile services) and Airtel Money (also known as mobile money) businesses in each country were classified as separate components to reflect the continued growth in the Airtel Money business. There were four full-scope audits, ten were subject to an audit of specified account balances and all other businesses were subject to review at group level. The full scope and specified account balances covered 91% of group EBITDA, 85% of group revenue and 88% of group net assets.
Significant changes in our approach	During the year, the Nigerian naira ("NGN") devalued significantly against the USD. This devaluation has had a significant impact on the financial performance of the group and the financial statements as a whole. We therefore identified the impact that the devaluation of NGN had on the financial statements as a key audit matter for the current year. We also identified the GSM business in the Democratic Republic of the Congo as a full scope audit this year to reflect an increase in the size of that business. Key changes in component scope are summarised above.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the relevant controls over the group's forecasting process;
- performing retrospective reviews of the historical forecasts to assess the reasonableness of the group's forecasting process;
- performing risk assessment procedures in response to continued macro-economic uncertainty in many African markets including but not limited to currency devaluation and higher inflation. In particular we updated our risk assessment procedures to consider whether the devaluation of NGN increases the going concern risk, including the impact on the group's liquidity position if the group is unable to repatriate US dollars from Nigeria;
- assessing the reasonableness of the anticipated impact of the group's principal risks on the group's cash flow projections, including within the reasonable worst case forecast;

- assessing consistency of cash flow forecasts with the cash flow forecasts used for the purposes of goodwill impairment reviews, long term viability assessment and recognition of deferred tax assets;
- assessing the reasonableness of the reverse stress test scenario;
- assessing and challenging the assumptions used by the directors in each of the cash flow forecasts, considering our own expectations based on our knowledge of the group;
- assessing and challenging the key mitigating actions available including a reduction in capital expenditure and lower dividends pay-outs;
- obtaining direct confirmations from banks of the value, duration and terms for the group's undrawn committed facilities at the date of signing these financial statements and the terms thereof;
- recalculating the cash headroom available using undrawn committed facilities in each of the scenarios prepared by management and approved by the directors and testing the integrity and mechanical accuracy of the going concern model; and
- assessing the appropriateness of the financial statement disclosures related to going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Prepaid and mobile money revenue

Key audit matter description	As set out in note 6 to the financial statements, revenue of $4,979m (March 2023: $5,255m) is derived from the provision of voice, data, mobile money and other services. Voice and data services account for $3,913m (March 2023: $4,278m) of revenue and mobile money services account for $649m (March 2023: $540m). Most voice and data revenue derives from customers who subscribe to services on a prepaid basis. Mobile money revenue relates to the commission earned on allowing customers to add and transfer funds and make payments via the group's mobile money IT platform, Mobiquity. The group's accounting policies on prepaid and mobile money revenue are set out in note 2.19. Due to the complexity of the group's revenue recording systems (in particular the Intelligent Network (IN) system for prepaid revenue and Mobiquity for mobile money) and the volume of customer data, we identified a key audit matter relating to prepaid revenue, specifically: (i) the accuracy of tariffs in the applicable systems; and (ii) the manual revenue reconciliation process from the billing system to the general ledger and the resulting manual journal entries. For mobile money, we identified a key audit matter in relation to the accuracy of rates and tariffs within the Mobiquity system. Errors in group's revenue recording system would impact the accuracy of prepaid and/ or mobile money revenue. Given the above, and the risk that prepaid and mobile money revenue could be manipulated to improve the group's financial performance, we identified this area as a fraud risk.
How the scope of our audit responded to the key audit matter	We performed the following procedures in response to the key audit matter : • with the involvement of our IT specialists we obtained an understanding of the IT environment in which the revenue recording systems reside, including interface controls between different IT applications. This included the IN billing system for prepaid revenue and the Mobiquity IT platform for mobile money; • obtaining an understanding of, and testing, the relevant controls over the approval and maintenance of new plans in the IN billing system and authorisation of rate changes and the maintenance of rates within the IN and Mobiquity systems; • testing the reconciliation process between the general ledger and IN and Mobiquity including any manual adjustments posted; • for prepaid revenue, testing a sample of call record validations and data usage to test the accuracy of prepaid revenue and the resolution of exceptions in addition to performing independent call testing to evidence that the amounts charged to the subscriber are consistent with the approved tariffs; • for mobile money, testing a sample of wallet transactions to test the accuracy of mobile money revenue and resolution of exceptions in addition to performing independent wallet testing to evidence that the amounts charged to the subscribers are consistent with the approved tariffs; • assessing key movements in prepaid revenue recorded within the general ledger against cash collection in the billing systems at the group level; • for prepaid revenue, testing a sample of tariffs set up and amendments within the IN system; • for mobile money, testing a sample of tariffs set up and amendments within the Mobiquity system; and • recomputing mobile money revenue based on the transaction volumes and the applicable transaction rates.
Key observations	Based on the work performed, we consider mobile money and prepaid revenue to be accurately recorded and that prepaid revenue has been recorded in the correct period.

Independent auditor's report to the members of Airtel Africa plc continued

5.2. Mobile money restricted cash

Key audit matter description	The group holds cash on behalf of its mobile money customers, which is restricted for use by the group. The total restricted cash balance as at 31 March 2024 amounted to $737m (March 2023: $616m) and is presented as 'balance held under mobile money trust.' Mobile money restricted cash relates to customer wallet balances held under mobile money trust. The group's accounting policies on prepaid and mobile money revenue are set out in note 2.14. We identified a key audit matter that the mobile money restricted cash balance does not exist given the significance and size of this balance and to the overall balance sheet of the group and that the balance is held with a wide variety of banks. We also identified a fraud risk around the exsistence of this balance given the significance of this balance and the potential risk for misappropriation.
How the scope of our audit responded to the key audit matter	We performed the following procedures in response to the key audit matter : • obtaining and understanding of, and testing, the relevant controls around the existence of the mobile money restricted cash balance; • obtaining and testing the mobile money bank reconciliations, tracing the amounts held to external, independent confirmations and agreeing any reconciling items to supporting evidence; and • selecting a sample of transactions at or around period end and testing that the transactions were appropriate and did not constitute transfers into the group's own operating bank accounts.
Key observations	Based on our work, we noted no exceptions regarding the existence of the mobile money restricted cash balance.

5.3. Classification of legal matters

Key audit matter description	Management has recorded a provision of $2m (March 2023: $2m) in respect of legal claims against components operating within certain jurisdictions. This is included in the total provision for legal and regulatory cases amounting to $12m (March 2023: $19m) as set out in note 24 to the financial statements. Contingent liabilities as at 31 March 2024 for legal claims in these jurisdictions amounted to $76m (March 2023: $82m) as described in Note 28 to the financial statements. There are also a number of cases where the outcome of a sucessful claim is considered remote, increasing the risk of misclassification of legal matters and therefore, the risk of inaccuracy of the provisions and contingent liability. Airtel Africa has business operations in 14 countries across Africa, each with different legal environments. Certain components operate in higher-risk jurisdictions than others where there is a greater risk of a higher number of claims. Each component maintains legal registers which are updated on a monthly basis to summarise the current position of each legal case and to consider whether a legal case is assessed as probable, possible or remote in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent assets, and consequently whether a provision or contingent liability disclosure is required. Management of these matters is frequently supported by external legal counsel in the local markets and the opinion of counsel is considered in assessing the classification of the matter as probable, possible or remote in accordance with IAS 37. Further information on the group's policies for legal matters, including the judgements taken, can be found in notes 2.17 and 2.18 of the financial statements, and within the key source of estimation uncertainty disclosures in note 3.1. The Audit and Risk Committee also comment on this area in their report on page 134. We identified a key audit matter relating to the appropriate classification and presentation of legal cases within the financial statements as remote (no disclosure), possible (contingent liability, note 28) and probable (provision, note 24) in accordance with IAS 37, with a focus on components operating in certain jurisdictions. Management has exercised significant judgement in determining their assessment of the outcome and the accounting consequences thereon which has a risk of being susceptible to bias. Given the judgement that needs to be exercised in the classification of legal cases as probable, possible and remote, we identified this as a fraud risk.
How the scope of our audit responded to the key audit matter	We performed the following procedures in response to the key audit matter : • obtaining an understanding of, and testing, relevant controls concerning the classification of legal cases; • assessing a sample of cases and challenging whether the cases are appropriately classified as probable, possible or remote as per IAS 37 by holding discussions with the group's internal legal counsel and obtaining supporting evidence for a sample of cases; • circularising external legal counsel for a sample of cases and evaluating the rationale for their assessment of whether a case is probable, possible or remote is appropriate. We also considered the competence, capability and objectivity of external legal counsel; and • evaluating the financial statement disclosures including the articulation of each material case.
Key observations	Based on the work performed, we consider the classification of legal cases as probable, possible and remote to be appropriate. We consider the provision and contingent liability disclosures within notes 24 and 28 of the financial statements to be appropriate.

5.4. Devaluation of the Nigerian naira

Key audit matter description	The group has significant operations in Nigeria (Airtel Nigeria) whose functional currency is the NGN. Airtel Nigeria has liabilities (primarily leases in respect of towers) denominated in US dollars ("USD"). The movement between NGN and USD exchange rates lead to the recording of exchange gains and losses within the Airtel Nigeria income statement. In addition, the group reports its results in USD and consequently movements in the NGN and USD exchange rate impacts both the income statement and the balance sheet upon translation of Airtel Nigeria's results into USD for group reporting purposes. During the year there has been a significant devaluation of NGN against the USD (from 461 at 1 April 2023 to 1,303 at 31 March 2024), reaching a high in the year of 1,621. This devaluation has had a significant impact on the financial statements and the reported performance of the group, including recording a foreign exchange loss in the income statement of $1,070m. Management have recorded $770m of this loss as an exceptional item within the financial statements. In addition, the devaluation of NGN has led to an exceptional tax credit of $250m and an exchange loss in reserves (reducing net assets) of $944m. Further details on the impact of the translation of NGN on the financial statements, including the presentation of part of the foreign exchange loss as exceptional, can be found in Note 5 of the financial statements. The Audit and Risk Committee also comment on this matter in their report on pages 130 and 134. The group also presents constant currency measures within the strategic report which removes the impact of the NGN devaluation from the financial results and presents these constant currency measures alongside reported currency measures. Given the significant impact that the devaluation of NGN has had on the financial statements and financial performance of the group, we identified a key audit matter in respect of the recording of the foreign exchange loss, the presentation of part of this exchange loss as an exceptional item and the overall impact that this devaluation has had on the financial statements.
How the scope of our audit responded to the key audit matter	We performed the following procedures in response to the key audit matter: • updating our planning and risk assessment procedures, including the impact that the devaluation had on our assessment of materiality, audit scope and audit risk(s); • obtained an understanding of the relevant controls established by the group over the recording of foreign exhange losses and the presentation in the financial statements; • recomputed the foreign exchange loss recorded in the financial statements, including the corresponding tax credit. This included verifying the exchange rates used to external sources and assesing whether the exchange rate used to compute the foreign exchange loss was appropriate; • challenged the group's presentation of $770m of the foreign exchange loss as an exceptional in line with the group's policy on the classification of exceptional items. We also challenged whether the policy was acceptable and that its application did not give a misleading view of the financial performance of the group; • assessed the impact that the devaluation of NGN had on other accounting judgements and estimates within the financial statements including impairment of goodwill, deferred tax and going concern; • read the information within the strategic report on the impact that the devaluation of the NGN has had on the financial statements and considered whether this information is consistent with the financial statements and the knowledge obtained during the course of our audit; and • considered the presentation of constant currency measures within the annual report and considered whether these are balanced with the presentation of reported currency measures and that the constant currency measures were not presented with undue prominence.
Key observations	Based on the work performed, we agree that the derivative and foreign exchange loss of $1,070m (and the corresponding tax credit) has been correctly computed and that the related presentation of $770m of this loss as exceptional meets the group's policy on exceptional items. We further agree that the effect of the NGN devaluation within the annual report has been described in a manner consistent with the financial statements and the knowledge we have obtained through our audit procedures and the disclosures relating to the impact of foreign exchange adequately describe the related effect on the overall financial performance of the group.

Independent auditor's report to the members of Airtel Africa plc continued

6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	$65m (2023: $65m)	$41m (2023: $41m)
Basis for determining materiality	Materiality represents 1.3% of revenue, 2.7% of EBITDA, 2.8% of net assets, 8.7% of underlying profit before tax and 0.7% of total assets.(2023: 6.3% of profit before tax and 2.5% of EBITDA).	1% of net assets (2023: 1% of net assets).
Rationale for the benchmark applied	In prior years materiality has been based on profit before tax. However, the devaluation of the NGN against the USD has led to the recording of a significant foreign exchange loss and led to a loss before tax. Basing materiality on more stable measures would therefore be appropriate. We have therefore looked to a range of other key metrics in the financial statements including Revenue, EBITDA, net assets and total assets in selecting materiality of $65m.	Airtel Africa plc is a holding company, which holds investments in a number of subsidiaries. Thus, the primary users of the company's financial statements are the group's shareholders and the directors and management of its holding company (Bharti Airtel Limited) and ultimate holding company (Bharti Enterprises (Holding) Private Limited which is held by the private trusts of the Bharti family). We therefore considered net assets to be the most appropriate benchmark.

6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	65% (2023: 65%) of group materiality	65% (2023: 65%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: a. our experience of auditing the group: this is the sixth year of our audit of the consolidated financial statements and fifth year of auditing the group as a listed entity on the London Stock Exchange; b. the history of errors identified; and c. the maturity of the group's control environment, refer to section7.2..	

6.3 Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of $3.3m (2023: $3.3m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1 Identification and scoping of components

Our scoping of components requires us to:

(a) achieve sufficient coverage across the group to address the key risk areas; and

(b) meet the requirements of ISA (UK) 600 to plan and oversee the work performed by component audit teams.

Our group audit was scoped on an entity-level basis, assessing components against the risk of material misstatement at the group level. We also considered the quantum of financial statement balances and individual financial transactions of a significant nature. In performing our assessment, we have considered the geographical spread of the group and risks presented within each region.

The group operates across fourteen countries across Africa. In each country the group has a separate mobile services and mobile money business, each of which was identified as a component for audit purposes. These components are supported by the group's shared service centre based in India, as well as a key holding company based in the Netherlands (Bharti Airtel Netherlands BV), which holds a part of the group's debt, and Airtel Africa plc, the parent company.

Full scope audits are performed on four components and audits of specified account balances on ten components as set out in the table below.

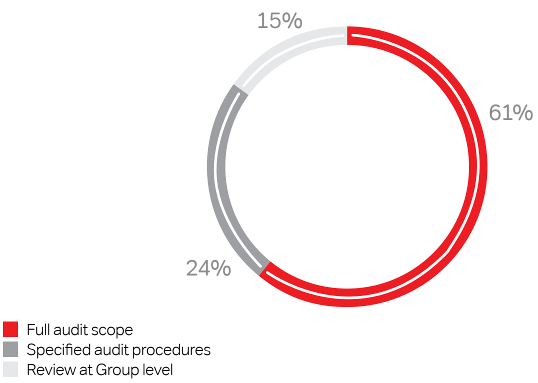
We performed a full scope audit on Airtel Africa plc and an audit of specified account balances on Bharti Airtel Netherlands BV. A component audit team also performed procedures at the shared service centre in India. The scope of the shared service centre matched the scope of each African component e.g. the Nigeria mobile service transactions at the shared service centre were subject to a full scope audit.

The group audit team performed review at the group level on the remaining components not included within full scope or specified account balances scope, each of which are insignificant to the group. This included other holding companies within the Netherlands including AMC BV, the holding company of the main Airtel Money entities. We also made inquiries of management and evaluated and tested management's group-wide controls across a range of locations and segments to address the risk of residual misstatement on a segment-wide and component basis. At the group level, we also tested the consolidation process and performed procedures over significant risks and controls. We also assessed the accounting for key transactions in the year, as set out in note 5 to the financial statements.

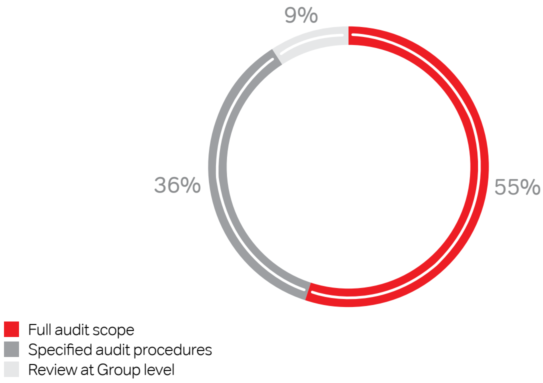
The below table summarises the segment allocation and scope of the group's components:

Segment	Full scope audit	Audits of specified balances	Analytical review procedures
Nigeria	Nigeria mobile services	–	Nigeria mobile money
East Africa	Uganda mobile services	Tanzania, Malawi, Kenya and Zambia mobile services Uganda, Tanzania, Malawi and Zambia mobile money	Rwanda mobile services and mobile money
Francophone Africa	Democratic Republic of Congo mobile services	Democratic Republic of Congo mobile money	Congo Brazzaville, Niger, Chad, Gabon, Madagascar and Seychelles mobile services and mobile money
Central	Airtel Africa plc and Shared service centre in India for the full scope components.	Netherlands holding company and shared service centre in India for other components in scope.	Other components deemed insignificant to the group

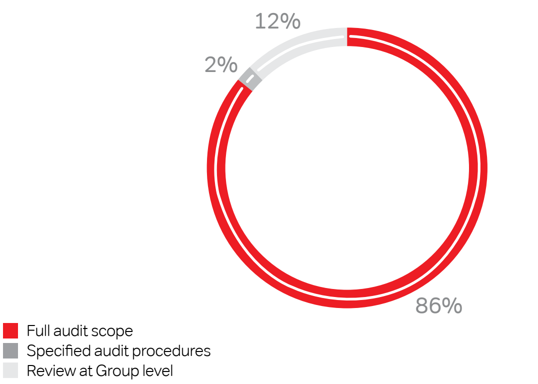
Revenue



Total assets



Profit before tax



Independent auditor's report to the members of Airtel Africa plc continued

7.2 Our consideration of the control environment

7.2.1 IT controls

As a business, the group is heavily reliant on IT systems. Therefore, effective IT controls are important not just to address financial risks, but also for other areas such as operational, regulatory and reputational risk. Given the high volume, low value nature of the group's transactions, reliance on the IT control environment is a fundamental part of the audit approach, not least for revenue.

Our assessment of the IT control environment included testing general IT controls (such as user access and IT change management), automated controls (such as appropriate configuration of tariffs) and system generated reports (such as daily recharge reports).

The key systems in scope for the audit were the accounting and revenue recording systems (IN and Mobiquity), including revenue recording systems managed in country (such as those relating to prepaid, mobile money and interconnect revenue) and the group's general ledger system. The group is reliant on third parties for the support and maintenance of these systems, and arrangements are in place with a range of third-party IT providers.

7.2.2 Business processes

We rely on controls for our full scope audits and audits of specified balances over the prepaid revenue, interconnect revenue, mobile money revenue, expenditure and payables, property plant and equipment and payroll cycles. We also rely on controls on the central processes for the classification of legal cases, the recording of leases and the consolidation processes.

7.2.3 Governance controls

We paid particular attention to the governance of the relationship with the company and entity level controls. We did not identify any significant findings in these areas.

7.3 Our consideration of climate-related risks

The group has disclosed its Task Force on Climate-related Financial Disclosures ("TCFD") on pages 63-70 of the Annual Report, including its governance process for managing climate related risks, the climate related risks and opportunities, and how these risks and opportunities are managed. We assessed the TCFD recommended disclosures within the Annual Report and considered whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

We obtained an understanding of management's process for considering the impact of climate-related risks. We evaluated these risks to assess whether they were complete and consistent with our understanding of the group and our wider risk assessment procedures. Management considered the impact of climate change on the impairment review performed on the group's assets. Management disclosed in note 15 that no reasonable possible change in any assumption underpinning the impairment review would lead to an impairment which includes the impact of climate change. We have assessed the appropriateness of this disclosure.

7.4 Working with other auditors

The work on all components subject to either full audit or an audit of specified account balances was performed by Deloitte member firms. The majority of account balances are managed and audited at the shared service centre in India. This is supplemented by the management and audit of account balances at each operating company and the group head office in Dubai.

We held a planning meeting in India with all the component audit teams to discuss and agree the planning and execution of the audit; at the same meeting we met with group management to communicate our planned audit strategy including key audit focus areas.

As part of our oversight procedures, we visited all the full scope components and all the components subject to audit of specified account balances (Nigeria, Uganda, DRC, Kenya, Tanzania, Malawi and Zambia). We also visited the shared service centre in India and the group's head office in Dubai. We remained in regular contact with all component teams throughout the year to understand key issues and appropriately plan and execute the year end audit. The frequency of these interactions was increased during the key audit periods and included direct calls between senior members of the group and component audit teams.

We issued detailed instructions to our component audit teams, included them within our team briefings and regular status calls, and reviewed component auditor working papers during the above component visits and remotely via online review of their audit files.

Throughout the core period of the audit, we held regular calls with group management, which also involved Deloitte India, who audit the shared service centre in India and where the majority of account balances are managed.

8. Other information

The other information comprises the information included in the annual report, including the strategic report, the corporate governance report, the directors' remuneration report and the directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, the directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: prepaid and mobile money revenue, the existence of mobile money restricted cash and the classification of legal matters in components operating in certain jurisdiction. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules and tax legislation in the jurisdictions that the group operates.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the regulations set by the telecommunication and mobile money regulator within each operating entity and the relevant financial regulations which govern the group's components.

11.2 Audit response to risks identified

As a result of performing the above, we identified prepaid and mobile money revenue, mobile money restricted cash and classification of legal matters as key audit matters relating to the potential risk of fraud or non-compliance with laws and regulations. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing relevant correspondence with relevant tax authorities; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Independent auditor's report to the members of Airtel Africa plc continued

13. Corporate governance statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 131 and 178;
- the directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 80-81;
- the directors' statement on fair, balanced and understandable set out on page 132;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 72;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 73-79; and
- the section describing the work of the Audit and Risk Committee set out on pages 126-137.

14. Matters on which we are required to report by exception

14.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1 Auditor tenure

Following the recommendation of the Audit and Risk committee, we were appointed by the Board on April 2019 to audit the financial statements for the year ending 31 March 2019 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is six years, covering the years ended 31 March 2019 to 31 March 2024.

15.2 Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

We have been engaged to provide assurance on whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R and will publicly report separately to the members on this.

Ryan Duffy (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom

8 May 2024

Consolidated statement of comprehensive income

(All amounts are in US$ millions unless stated otherwise)

	Note	For the year ended 31 March 2024	31 March 2023
Income			
Revenue	6	**4,979**	5,255
Other income		**21**	13
		5,000	5,268
Expenses			
Network operating expenses		**926**	1,027
Access charges		**314**	410
Licence fee and spectrum usage charges		**244**	241
Employee benefits expense	7	**301**	287
Sales and marketing expenses		**576**	521
Impairment loss on financial assets		**5**	14
Other operating expenses	8	**206**	193
Depreciation and amortisation	9	**788**	818
		3,360	3,511
Operating profit		**1,640**	1,757
Finance costs			
– Derivative and foreign exchange losses			
Nigerian naira	10	**1,070**	224
Other currencies	10	**189**	114
– Other finance costs	10	**482**	414
Finance income	10	**(38)**	(29)
Share of profit of associate and joint venture accounted for using equity method		**(0)**	(0)
(Loss)/profit before tax		**(63)**	1,034
Income tax expense	12	**26**	284
(Loss)/profit for the year		**(89)**	750
(Loss)/profit before tax (as presented above)		**(63)**	1,034
Add: Exceptional items	11	**807**	–
Underlying profit before tax		**744**	1,034
(Loss)/profit after tax (as presented above)		**(89)**	750
Add/(less): Exceptional items	11	**549**	(161)
Underlying profit after tax		**460**	589
Other comprehensive income ('OCI')			
Items to be reclassified subsequently to profit or loss:			
Loss due to foreign currency translation differences		**(1,175)**	(350)
Gain on debt instruments at fair value through other comprehensive income		**0**	–
Tax on above		**2**	(3)
Share of OCI of associate and joint venture accounted for using equity method		**(0)**	–
		(1,173)	(353)
Items not to be reclassified subsequently to profit or loss:			
Re-measurement gain/(loss) on defined benefit plans		**0**	(0)
Tax on above		**(0)**	0
		(0)	0
Other comprehensive loss for the year		**(1,173)**	(353)
Total comprehensive (loss)/income for the year		**(1,262)**	397
(Loss)/profit for the year attributable to:		**(89)**	750
Owners of the company		**(165)**	663
Non-controlling interests		**76**	87
Other comprehensive loss for the year attributable to:		**(1,173)**	(353)
Owners of the company		**(1,141)**	(341)
Non-controlling interests		**(32)**	(12)
Total comprehensive (loss)/income for the year attributable to:		**(1,262)**	397
Owners of the company		**(1,306)**	322
Non-controlling interests		**44**	75
(Loss)/earnings per share			
Basic	13	**(4.4) cents**	17.7 cents
Diluted	13	**(4.4) cents**	17.7 cents

Consolidated statement of financial position

(All amounts are in US$ millions unless stated otherwise)

	Note	As of 31 March 2024	31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	14	**1,827**	2,295
Capital work-in-progress	14	**232**	212
Right of use assets	29	**1,483**	1,497
Goodwill	15	**2,569**	3,516
Other intangible assets	15	**725**	813
Intangible assets under development	15	**4**	399
Investment accounted for using equity method		**5**	4
Financial assets			
– Investments		**0**	0
– Derivative instruments	16	**0**	9
– Others		**30**	34
Income tax assets (net)		**5**	1
Deferred tax assets (net)	12	**543**	337
Other non-current assets	17	**146**	151
		7,569	9,268
Current assets			
Inventories		**26**	15
Financial assets			
– Investments		**2**	–
– Derivative instruments	16	**10**	4
– Trade receivables	18	**184**	145
– Cash and cash equivalents	19	**620**	586
– Other bank balances	19	**353**	131
– Balance held under mobile money trust		**737**	616
– Others	20	**106**	142
Other current assets	17	**254**	259
		2,292	1,898
Total assets		**9,861**	11,166
Liabilities			
Current liabilities			
Financial liabilities			
– Borrowings	21	**1,426**	945
– Lease liabilities	29	**357**	395
– Derivative instruments	16	**144**	5
– Trade payables		**422**	460
– Mobile money wallet balance		**722**	582
– Others	22	**440**	533
Provisions	24	**78**	83
Deferred revenue		**123**	183
Current tax liabilities (net)		**119**	194
Other current liabilities	23	**215**	192
		4,046	3,572
Net current liabilities		**(1,754)**	(1,674)
Non-current liabilities			
Financial liabilities			
– Borrowings	21	**947**	1,233
– Lease liabilities	29	**1,732**	1,652
– Put option liability	32	**552**	569
– Derivative instruments	16	**33**	43
– Others	22	**146**	147
Provisions	24	**22**	21
Deferred tax liabilities (net)	12	**67**	108
Other non-current liabilities	23	**16**	13
		3,515	3,786
Total liabilities		**7,561**	7,358
Net assets		**2,300**	3,808
Equity			
Share capital	25	**1,875**	3,420
Reserves and surplus	26	**285**	215
Equity attributable to owners of the company		**2,160**	3,635
Non-controlling interests ('NCI')		**140**	173
Total equity		**2,300**	3,808

The consolidated financial statements of Airtel Africa plc (company registration number: 11462215) were approved by the Board of directors and authorised for issue on 8 May 2024 and were signed on its behalf by:

For and on behalf of the Board of Airtel Africa plc

Olusegun Ogunsanya
Chief executive officer

8 May 2024

Consolidated statement of changes in equity

(All amounts are in US$ millions unless stated otherwise)

	Equity attributable to owners of the company								
	Share capital		Reserves and surplus						
	No of shares[1]	Amount	Retained earnings	Transactions with NCI reserve	Other components of equity	Total	Equity attributable to owners of the company	Non-controlling interests (NCI)	Total equity
As of 1 April 2022	6,839,896,081	3,420	3,436	(942)	(2,412)	82	3,502	147	3,649
Profit for the year	–	–	663	–	–	663	663	87	750
Other comprehensive income/(loss)	–	–	(0)	–	(341)	(341)	(341)	(12)	(353)
Total comprehensive income/(loss)	–	–	663	–	(341)	322	322	75	397
Transactions with owners of equity									
Employee share-based payment reserve	–	–	(2)	–	–	(2)	(2)	–	(2)
Purchase of own shares (net)	–	–	–	–	(5)	(5)	(5)	–	(5)
Transactions with NCI	–	–	–	13	–	13	13	3	16
Dividend to owners of the company	–	–	(195)	–	–	(195)	(195)	–	(195)
Dividend (including tax) to NCI[2]	–	–	–	–	–	–	–	(52)	(52)
As of 31 March 2023	6,839,896,081	3,420	3,902	(929)	(2,758)	215	3,635	173	3,808
(Loss)/profit for the year	**–**	**–**	**(165)**	**–**	**–**	**(165)**	**(165)**	**76**	**(89)**
Other comprehensive income/(loss) (refer to note 5(b) and 5(c))	**–**	**–**	**0**	**–**	**(1,141)**	**(1,141)**	**(1,141)**	**(32)**	**(1,173)**
Total comprehensive income/(loss)	**–**	**–**	**(165)**	**–**	**(1,141)**	**(1,306)**	**(1,306)**	**44**	**(1,262)**
Transactions with owners of equity									
Employee share-based payment reserve	**–**	**–**	**(1)**	**–**	**2**	**1**	**1**	**–**	**1**
Purchase of own shares (net)	**–**	**–**	**–**	**–**	**1**	**1**	**1**	**–**	**1**
Cancellation of deferred shares (refer to note 5(d))	**(3,081,744,577)**	**(1,541)**	**1,541**	**–**	**–**	**1,541**	**–**	**–**	**–**
Ordinary shares buy-back programme (refer to note 5(f))	**(7,389,855)**	**(4)**	**(9)**	**–**	**(37)**	**(46)**	**(50)**	**–**	**(50)**
Transactions with NCI[3]	**–**	**–**	**–**	**91**	**–**	**91**	**91**	**(12)**	**79**
Dividend to owners of the company (refer to note 5(a))	**–**	**–**	**(212)**	**–**	**–**	**(212)**	**(212)**	**–**	**(212)**
Dividend (including tax) to NCI[2]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(65)**	**(65)**
As of 31 March 2024	**3,750,761,649**	**1,875**	**5,056**	**(838)**	**(3,933)**	**285**	**2,160**	**140**	**2,300**

1 Includes ordinary and deferred shares until 31 March 2023. Deferred shares have been cancelled during the year ended 31 March 2024 as explained in note 5(d), therefore, as of 31 March 2024, it includes only ordinary shares. Refer to note 25 for further details.

2 Dividend to NCI include tax of $4m (31 March 2023: $3m).

3 This primarily relates to:

- Excess of consideration over proportionate net assets on sale of 10.89% shares of Airtel Uganda to minority shareholders under IPO of Airtel Uganda amounting to $49m, as explained in note 5(e).
- Reversal of put option liability by $24m (31 March 2023: $16m) for dividend distribution to put options non-controlling interest holders (any dividend paid to the put option non-controlling interest holders is adjustable against the put option liability based on the put option arrangement).
- Adjustment of $18m to non-controlling interests pertaining to Airtel Mobile Commerce B.V. (AMC BV) on account of completion of restructuring period and consequent release of escrow shares as per agreement with non-controlling interest holders.

Consolidated statement of cash flows

(All amounts are in US$ millions unless stated otherwise)

	For the year ended	
	31 March 2024	31 March 2023
Cash flows from operating activities		
(Loss)/profit before tax	**(63)**	1,034
Adjustments for:		
Depreciation and amortisation	**788**	818
Finance income	**(38)**	(29)
Finance costs:		
– Derivative and foreign exchange losses		
Nigerian naira	**1,070**	224
Other currencies	**189**	114
– Other finance costs	**482**	414
Share of profit of associate and joint venture accounted for using equity method	**(0)**	(0)
Other non-cash adjustments[1]	**0**	2
Operating cash flow before changes in working capital	**2,428**	2,577
Changes in working capital		
Increase in trade receivables	**(79)**	(45)
Increase in inventories	**(16)**	(13)
Increase in trade payables	**56**	9
Increase in mobile money wallet balance	**207**	120
Increase/(decrease) in provisions	**3**	(32)
Increase in deferred revenue	**21**	37
Increase in other financial and non-financial liabilities	**76**	113
Increase in other financial and non-financial assets	**(93)**	(140)
Net cash generated from operations before tax	**2,603**	2,626
Income taxes paid	**(344)**	(397)
Net cash generated from operating activities (a)	**2,259**	2,229
Cash flows from investing activities		
Purchase of property, plant and equipment and capital work-in-progress	**(868)**	(779)
Purchase of intangible assets and intangible assets under development	**(161)**	(502)
Purchase of other short-term investments	**(2)**	–
Maturity of deposits with bank	**731**	350
Investment in deposits with bank	**(961)**	(126)
Investment in joint venture	**–**	(0)
Dividend received from associate	**–**	2
Interest received	**33**	29
Net cash used in investing activities (b)	**(1,228)**	(1,026)
Cash flows from financing activities		
Purchase of shares under buy-back programme	**(9)**	–
Purchase of own shares by ESOP trust	**(2)**	(8)
Proceeds from sale of shares to NCI	**53**	–
Proceeds from borrowings	**713**	906
Repayment of borrowings	**(550)**	(1,018)
Repayment of lease liabilities	**(324)**	(279)
Dividend paid to non-controlling interests	**(59)**	(75)
Dividend paid to owners of the company	**(212)**	(195)
Payment of deferred spectrum liability	**(21)**	(21)
Interest on borrowings, lease liabilities and other liabilities	**(440)**	(400)
Inflow/(outflow) on maturity of derivatives (net)	**7**	(49)
Net cash used in financing activities (c)	**(844)**	(1,139)
Increase in cash and cash equivalents during the year (a+b+c)	**187**	64
Currency translation differences relating to cash and cash equivalents	**(128)**	(70)
Cash and cash equivalents as at beginning of the year	**841**	847
Cash and cash equivalents as at end of the year (refer to note 19) [2.]	**900**	841

1 For the year ended 31 March 2024 and 31 March 2023, this mainly includes movements in impairment of trade receivable and other provisions.

2 Includes balances held under mobile money trust of $737m (March 2023: $616m) on behalf of mobile money customers which are not available for use by the Group.

1. Corporate information

Airtel Africa plc ('the company') is a public company limited by shares incorporated and domiciled in the United Kingdom (UK) under the Companies Act 2006 and is registered in England and Wales (registration number 11462215). The registered address of the company is First Floor, 53/54 Grosvenor Street, London, W1K 3HU, United Kingdom. The company is listed both on the London Stock Exchange (LSE) and Nigerian Stock Exchange (NGX). The company is a subsidiary of Airtel Africa Mauritius Limited ('the parent'), a company registered in Mauritius. The registered address of the parent is c/o IQ EQ Corporate Services (Mauritius) Ltd., 33, Edith Cavell Street, Port Louis, 11324, Mauritius.

The company, together with its subsidiary undertakings (hereinafter referred to as 'the Group') has operations in Africa. The principal activities of the Group, its associate and its joint venture primarily consist of the provision of telecommunications and mobile money services.

2. Summary of material accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and approved for use in the United Kingdom (UK) by the UK Accounting Standards Endorsement Board (UKEB).

All the amounts included in the financial statements are reported in US dollars, with all values rounded to the nearest millions ($m) except when otherwise indicated. Further, amounts which are less than half a million are appearing as '0'.

The accounting policies as set out in the following paragraphs of this note have been consistently applied by all the Group's entities to all the periods presented in these consolidated financial statements. During the year, the Group has changed the classification of distribution costs relating to its mobile money business to better reflect the nature of these costs, reclassifying costs previously included in other operating expenses to the sales and marketing expenses in the consolidated statement of comprehensive income.

New and amended standards and interpretations that are effective for the current year

No new IFRS issued during the year are applicable to the Group.

Amendments to existing IFRSs have been applied by the Group as required, however, these amendments do not have any material impact on the Group's financial statements. The list of new IFRS and newly issued amendments is as follows:

- Amendments to IAS 12 in relation to relation to 'deferred tax related to assets and liabilities arising from a single transaction'.
- Amendments to IAS 1 in relation to 'Disclosure of Accounting Policies', including removal of certain immaterial policies.
- Amendments to IAS 8 in relation to 'Definition of Accounting Estimates'.
- Amendments to IAS 12 in relation to relation to 'Pillar Two Model rules' (see below for more details).

On 25 May 2023, the amendments to IAS 12 'Income Taxes' were released by IASB and endorsed by the UKEB on 19 July 2023. These amendments relate to International Tax Reform 'Pillar 2 income taxes' and clarify how the effects of the global minimum tax framework should be accounted for and disclosed. The amendments also provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which would have been effective immediately, if this exception was not provided. The Group using this exception has therefore not recognised or disclosed tax assets and liabilities relating to 'Pillar 2 income taxes'.

On 23 March 2023, HM Treasury released draft legislation for the Global Minimum Tax rules in the UK which was substantively enacted on 20 June 2023, this legislation will apply to the Group with effect from 1 April 2024.

The Group predominantly operates in jurisdictions which have a simplified effective tax rate above 15% and is expecting to rely on the Transitional Country-by-Country Reporting (CbCR) Safe Harbour provisions until 31 March 2027. During the year, a transitional safe harbour assessment was performed for all the Group's jurisdictions and material top-up tax is not expected to arise. The assessment was based on the profits and tax expense determined as part of the preparation of the Group's consolidated financial statements, considering only certain adjustments that would have been required applying the legislation.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value measurement

Fair value is the price at the measurement date at which an asset can be sold, or the price paid to transfer a liability in an orderly transaction between market participants.

The Group is required to classify the fair valuation method of the financial/non-financial assets and liabilities either measured or disclosed at fair value in the financial statements using a three-level fair value hierarchy (which reflects the significance of inputs used in the measurement of fair value). Accordingly, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair value hierarchy are described below:

- Level 1 – Fair values derived on the basis of quoted (unadjusted) prices for identical assets or liabilities in active markets.
- Level 2 – Fair values derived on the basis significant inputs other than quoted prices within level 1 that are directly or indirectly observable.
- Level 3 –Fair values derived on the basis valuation techniques that used significant inputs that are not based upon observable market data (unobservable inputs).

Going concern

These consolidated financial statements have been prepared on a going concern basis. In making this going concern assessment, the Group has considered cash flow projections (including the scheduled bond repayment of $550m in May 2024 and repayment of other loans due for repayment in the going concern period) to June 2025 (going concern assessment period) under both a base case and reasonable worst-case scenarios, including reverse stress test. This assessment takes into consideration its principal risks and uncertainties, including a reduction in revenue and EBITDA and a devaluation of the various currencies in the countries in which the Group operates, including the Nigerian naira. As part of this evaluation, the Group has considered available ways to mitigate these risks and uncertainties and has also

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

2. Summary of material accounting policies continued

considered committed undrawn facilities of $351m expiring beyond the going concern assessment period, which will fulfil the Group's cash flow requirement under both the base and reasonable worst-case scenarios. Having considered all the above-mentioned factors impacting the Group's businesses, the impact of downside sensitivities, and the mitigating actions available to the Group, including a reduction and deferral of capital expenditure, the directors are satisfied that the Group has adequate resources to continue its operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

2.3 Basis of consolidation

a. Subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) up to 31 March each year. The Group controls an entity when it has power over the entity (that is, existing rights that give it the current ability to direct the relevant activities), it is exposed to or has right to variable return from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group re-assesses whether or not it controls the entity, if the underlying facts and circumstances indicate a change in the above-mentioned parameters that determine the existence of control.

Subsidiaries are fully consolidated from the date when the Group obtains control and are de-consolidated from the date that control ceases. No subsidiaries are excluded from the Group consolidation. Non-controlling interests is the equity in a subsidiary not attributable to the parent and is presented separately from equity attributable to the owners of the company. Non-controlling interests consist of the amount at the date of the business combination and its share of changes in equity since that date. Profit or loss and other comprehensive income/loss are attributed to the controlling and non-controlling interests in proportion to their ownership interests. Total comprehensive income is attributable to the owners of the company and to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance.

The Group has written a put option to non-controlling shareholders in one of Group's subsidiaries to purchase their equity interest in the subsidiary, for cash and/or another financial assets. This gives rise to a financial liability for the present value of the likely redemption amount. This is the case even if the contract itself is an equity instrument or even if the obligation to purchase the equity interest is conditional on the counterparty exercising a right to redeem. The financial liability is recognised initially at the present value of the likely redemption amount by debiting equity (transactions with NCI reserve) while continuing to recognise the non-controlling interest, if the non-controlling shareholders continue to have present access to returns on the underlying equity interest of the subsidiary. Subsequently, the financial liability is measured at amortised cost. If the contract expires without delivery, the carrying amount of the financial liability is reclassified to equity (transactions with NCI reserve). If the option is exercised, the corresponding non-controlling interest (if any) to the extent of shares re-acquired from non-controlling shareholders is de-recognised through equity (transactions with NCI reserve) at the time of exercise of the put option.

The profit/loss on disposal of a subsidiary (associated with loss of control) is recognised in profit and loss being the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary in consolidated financial statements and any non-controlling interests. In addition, any amounts previously recognised in other comprehensive income in respect of the de-consolidated entity, are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit and loss or transferred to another category of equity as required/permitted by applicable IFRS). On such disposal any retained interest in the entity is remeasured to its fair value with the resultant change in carrying value being recognised in the profit and loss.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a transaction with equity holders. Any difference between the amount of the adjustment to non-controlling interests and any consideration exchanged is recognised in 'the transactions with NCI reserve', within equity.

b. Method of consolidation

The standalone financial statements of subsidiaries are fully consolidated on a line-by-line basis after adjusting for business combination/consolidation adjustments. Intra-Group transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Adjustments in respect of accounting policies of the Group's subsidiaries, associate and JV are made to ensure consistency with the accounting policies that are adopted by the Group.

2.4 Business combinations

The Group accounts for business combinations using the acquisition method of accounting; accordingly, the identifiable assets acquired and the liabilities assumed in the acquisition are recorded at their acquisition date fair values (except certain assets and liabilities which are required to be measured as per the applicable standards) and the non-controlling interests is initially recognised at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. The consideration transferred for the acquisition of a subsidiary is the aggregation of the fair values of the assets transferred, the liabilities incurred or assumed and the equity interests issued by the Group in exchange for control of the acquiree.

The excess of the consideration transferred, along with the amount of any non-controlling interests in the acquiree and the acquisition-date fair value (with the resulting difference being recognised in the profit and loss) of any previous equity interest in the acquiree, over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. Acquisition-related costs are expensed in the period in which the costs are incurred.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequent to initial recognition, it is measured at the higher of:

(i) the amount that would be recognised in accordance with IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', and

(ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with principles of IFRS 15 'Revenue from Contracts with Customers'.

Common control transactions

Transfers involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, (and that control is not transitory) are accounted for at their historic carrying values. The difference between the consideration paid/received and the historic carrying values is recorded in equity.

2.5 Foreign currency transactions

a. Functional and presentation currency

The items included within the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates (i.e., 'functional currency').

The financial statements are presented in US dollars, which is also the functional and presentation currency of the company.

2. Summary of material accounting policies continued

b. Transactions and balances

For the purpose of presenting the consolidated financial statements, transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences on subsequent retranslation/settlement recognised in the profit and loss within finance costs/finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – with the resulting foreign exchange difference on subsequent re-translation recognised in the profit and loss, except to the extent that it relates to items for which gains and losses are recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical exchange rates.

c. Foreign operations

The assets and liabilities of foreign operations (including goodwill and fair value adjustments arising on the acquisition of foreign entities) are translated into US dollars at the exchange rates prevailing at the reporting date. Items recognised in profit and loss are translated into US dollars at monthly average exchange rates. However, if exchange rates fluctuate significantly during the period, the exchange rates at the date of transactions are used. Items recognised within equity are translated at the historical rate. The resulting exchange differences are recognised in other comprehensive income and are held within the foreign currency translation reserve (FCTR), a component of equity. On disposal of a foreign operation (i.e., disposal of Group's entire interest in a foreign operation or disposal involving loss of control), all the accumulated exchange differences accumulated in FCTR in respect of that foreign operation are reclassified to profit and loss.

d. Net investment in foreign operation

When a monetary item forms part of the Group's net investment in a foreign operation, the exchange differences are then recognised initially in other comprehensive income and are held within the foreign currency translation reserve (FCTR). Such FCTR is reclassified from equity to profit and loss on disposal of the foreign operation.

2.6 Current versus non-current classification

The Group classifies assets and liabilities in the statement of financial position as current or non-current.

Deferred tax assets and liabilities, and all assets and liabilities which are not 'current' (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in the Group's normal operating cycle, held primarily for the purpose of trading, expected to be realised within 12 months after the reporting period, is a cash or cash equivalent unless restricted from being exchanged or is used to settle a liability for at least 12 months after the reporting period.

A liability is classified as current when it is expected to be settled in the Group's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or the Group does not have the unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

2.7 Property, plant and equipment (PPE) and capital work-in-progress (CWIP)

The cost of an item of property, plant and equipment is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably.

PPE is initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes and after deducting trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location of its intended use. Further, it includes assets installed on the premises of customers where the associated risks, rewards and control remain with the Group.

Subsequent to initial recognition, PPE is stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Group recognises such parts as a separate component of each asset. When an item of PPE is replaced, its carrying amount is de-recognised from the statement of financial position and the cost of the new item of PPE is recognised.

The expenditure incurred after an item of PPE is ready to use, such as repairs and maintenance, are charged to the profit and loss in the period in which such costs are incurred. However, in situations where the expenditure can be measured reliably and it is probable that future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the PPE's estimated useful lives.

Freehold land is not depreciated as it has an unlimited useful life. The Group has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Years
Leasehold improvement	Period of lease or 10–20 years, as applicable, whichever is less
Buildings	20
Plant and equipment	
Network equipment (including passive infrastructure)	3 – 25
Computer	3 – 5
Furniture and fixture and office equipment	1 – 5
Vehicles	5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at least, at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and/or depreciation method are accounted for prospectively, with depreciation calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired, or otherwise disposed of are de-recognised from the statement of financial position and the resulting gains/(losses) are included in the profit and loss within other income/other expenses, respectively.

PPE in the course of construction less any accumulated impairment is carried at cost and presented separately as CWIP (including capital advances) in the statement of financial position until ready for use at which point it is transferred to PPE and subsequently depreciated. Such cost comprises the purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any other directly attributable costs.

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

2. Summary of material accounting policies continued

2.8 Intangible assets

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be measured reliably.

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets acquired (refer to note 2.4). Goodwill is not amortised; however, it is tested for impairment (refer to note 2.9) and carried at cost less accumulated impairment losses, if any. The gains/(losses) on the disposal of a cash-generating unit (group of CGUs) includes the carrying amount of goodwill relating to the group of CGUs sold. In case goodwill has been allocated to group of CGUs, allocation of goodwill is determined based on the relative value of the operations sold in order to compute the gain/(losses).

Intangible assets that are acquired in a business combination are initially recognised at fair value at the acquisition date. Other intangible assets are recognised at cost which includes its purchase price and cash price equivalent of deferred payments beyond normal credit terms, if any. Intangible assets with definite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life.

Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit and loss as incurred.

The Group has established the estimated useful lives of different categories of intangible assets as follows:

- **Software**

Software is amortised over the software licence period, generally not exceeding three years.

- **Licences (including spectrum)**

Acquired licences and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction over the relevant licence period. The useful lives generally range from two to twenty-five years.

In addition, the Group incurs a fee on licences/spectrum that is calculated based on the revenue/usage parameters of the licensee entity. These fees are recognised as an expense in profit and loss when incurred.

- **Internally-generated intangible assets – research and development expenditure**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised, if and only if, all of the following conditions have been met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- The intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit and loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, if any.

- **Derecognition of intangible assets**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.9 Impairment of non-financial assets

a. Goodwill

Goodwill is tested for impairment, at least annually or earlier, in case circumstances indicate that the carrying value may exceed the recoverable amount (higher of fair value less costs to sell and the value -in-use). For the purpose of impairment testing, goodwill is allocated to a cash-generating-unit (CGU) or group of CGUs (CGUs) which are expected to benefit from the acquisition-related synergies and represent the lowest level within the entity at which the goodwill is monitored for internal management purposes, but not higher than an operating segment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

Impairment occurs when the carrying value of a CGU/CGUs, including goodwill, exceeds the estimated recoverable amount of the CGU/CGUs. The recoverable amount of a CGU/CGUs is the higher of its fair value less costs to sell and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the CGU/CGUs.

The total impairment loss of a CGU/CGUs is allocated first to reduce the carrying value of goodwill allocated to that CGU/CGUs and then to the other assets of that CGU/CGUs – on pro-rata basis of the carrying value of each asset.

b. Property, plant and equipment, Right-of-use assets, Intangible assets and Intangible assets under development

At each reporting date, the Group reviews the carrying amounts of its PPE, right-of-use assets, CWIP and finite-lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Intangible assets under development are tested for impairment, at least annually or earlier, in case circumstances indicate that those may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the CGU level to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss representing the excess of recoverable value over the carrying value of the asset/CGU is recognised immediately in profit and loss.

2. Summary of material accounting policies continued

c. Reversal of impairment losses

Impairment loss in respect of goodwill is not reversed. For assets, excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed, only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit and loss.

2.10 Financial instruments

a. Recognition, classification and presentation

Financial instruments are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument.

The Group determines the classification of its financial instruments at initial recognition.

The Group classifies its financial assets into the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

The Group has classified all non-derivative financial liabilities as measured at amortised cost.

Financial assets with embedded derivatives are considered in their entirety for determining the contractual terms of the cash flow and accordingly, embedded derivatives are not separated. However, derivatives embedded in non-financial instrument/financial liability (measured at amortised cost) host contracts are classified as separate derivatives, if their economic characteristics and risks are not closely related to those of the host contracts.

Financial assets and liabilities arising from different transactions are offset against each other and the resultant net amount is presented in the statement of financial position, if and only when the Group currently has a legally enforceable right to set off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The amounts held by electronic account holders in their mobile money wallets are presented separately in the balance sheet as 'mobile money wallet balance'. The amounts held in bank on behalf of such electronic account holders are restricted for use by the Group and are presented as 'balance held under mobile money trust'.

b. Measurement – Non-derivative financial instruments

I. Initial measurement

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit and loss.

Difference between transaction price and fair value at initial recognition

The transaction price is generally the best evidence of the financial instrument's initial fair value. However, it is possible for an entity to determine that the instrument's fair value is not the transaction price. The difference (if any) between the transaction amount and the fair value is accounted for as follows:

- The difference is recognised in the profit and loss, only if fair value is evidenced by a quoted price in an active market for an identical asset or liability (level 1 input) or based on a valuation technique that uses only data from observable markets.
- In all other cases, an entity recognises the instrument at fair value and defers the difference between the fair value at initial recognition and the transaction price in the statement of financial position.

II. Subsequent measurement – financial assets

The subsequent measurement of non-derivative financial assets depends on their classification as follows:

- **Financial assets measured at amortised cost**

Assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate (EIR) method (if the impact of discounting/any transaction costs is significant). Interest income from these financial assets is included in finance income.

EIR is the rate that exactly discounts the estimated future cash receipts or payments (including all fees and transaction costs that form an integral part of the effective interest rate) over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

- **Financial assets measured fair value through other comprehensive income (FVTOCI)**

Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at FVTOCI. Changes to carrying amount as a result of foreign exchange gains and losses, impairment gains and

losses and interest income calculated using effective interest method are recognised in profit or loss. All other changes in the carrying amount are recognised in other comprehensive income and accumulated under the heading 'other components of equity' reserve. When these assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

2. Summary of material accounting policies continued

Financial assets at fair value through profit or loss (FVTPL)

All equity instruments and financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVTOCI) are measured at FVTPL. Interest (based on the EIR method) and dividend income from financial assets at FVTPL along with other gains/losses arising from changes in the fair value is recognised in profit and loss within finance income/finance costs.

Difference between transaction price and fair value at initial recognition

In cases, where the initial fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on observable inputs, on subsequent measurement, the difference between initial fair value and transaction price is recognised in profit and loss on an appropriate basis (e.g., straight-line) over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Impairment

The company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and debt instruments carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12-month expected credit loss (ECL) is used to provide for impairment loss, otherwise, lifetime ECL is used.

However, in the case of trade receivables and contract assets, the Group applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Group recognises an impairment gain or loss in profit and loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for assets that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in other components of equity reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

III. Subsequent measurement – financial liabilities

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting/any transaction costs is significant).

c. Measurement – derivative financial instruments

Derivative financial instruments, including separated embedded derivatives, that are not designated as hedging instruments in a hedging relationship are classified as financial instruments at fair value through profit or loss. Such derivative financial instruments are initially recognised at fair value. They are subsequently measured at their fair value, with changes in fair value being recognised in profit and loss within finance income/finance costs.

d. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit and loss.

2.11 Leases

At inception of a contract, the Group assesses a contract as, or containing, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether the contract involves the use of an identified asset;the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Group has the right to direct the use of the asset.

Group as a lessee

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, in the statement of financial position. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), variable lease payments that are based on index, the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments, including changes in index or, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit and loss, if the carrying amount of the related right-of-use asset has been reduced to zero. Lease contracts denominated in foreign currency are remeasured using closing exchange rates at the end of each reporting period and the effect of such remeasurement is recognised within finance cost/income.

2. Summary of material accounting policies continued

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Subsequent to initial recognition, right-of-use asset are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain remeasurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of right-of-use assets are determined on the same basis as those of the underlying asset.

In the statement of financial position, the right-of-use assets and lease liabilities are presented separately.

When a contract includes lease and non-lease components, the Group allocates the consideration in the contract on the basis of the relative stand-alone prices of each lease component and the aggregate standalone price of the non-lease components.

Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.12 Taxes

The income tax expense comprises current and deferred income tax. Income tax is recognised in the profit and loss, except to the extent that it relates to items recognised outside profit and loss, in other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly within other comprehensive income or directly in equity.

a. Current tax

Current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the Group entities operate and generate taxable income. The payment made in excess/(shortfall) of the respective Group entities' income tax obligation for the respective periods are recognised in the statement of financial position under income tax assets/income tax liabilities, respectively.

Any interest relating to accrued liabilities for potential tax assessments are not included in the income tax charge or (credit), but are recognised within finance costs.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. These provisions are measured at the best estimate of the amount expected to become payable or based on the expected value approach, as applicable and are presented within current tax liabilities. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax is not recognised, if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Further, deferred tax liabilities are not recognised, if they arise from the initial recognition of goodwill.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences, tax losses and tax credits can be utilised. To assess such probability, the Group considers profit generation capability of the taxable entity based on historical trends as well as forecast profitability for the foreseeable future. When it is probable that there will be future taxable profits, an evaluation is performed to assess the availability of sufficient deductible temporary differences during the foreseeable future, relating to the same taxation authority and in the same taxable entity.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associate and joint venture unless the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets, recognised and unrecognised, are reviewed at each reporting date and assessed for recoverability based on best estimates of taxable profits for the foreseeable future.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

2.13 Inventories

Group's inventories include handsets, modems and related accessories.

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing it to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances held in wallets, bank balances, cheques in hand and any deposits with original maturities of three months or less, i.e., that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of a change in value. Cash equivalents are held for the purpose of meeting short-term cash commitments. However, for the purpose of the statement of cash flows, in addition to the above items, any bank overdrafts that are integral part of the Group's cash management and balances held under mobile money trust are also included as a component of cash and cash equivalents.

Term deposits with an original maturity of more than three months are presented within other bank balances.

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

2. Summary of material accounting policies continued

2.15 Share capital

Ordinary shares are classified as equity when the Group has an unconditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Group and there is no contractual obligation whatsoever to that effect.

2.16 Employee benefits

The Group's employee benefits mainly include wages, salaries, bonuses, defined contribution plans, defined benefit plans, other long-term benefits, including compensated absences and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Group employees. Short-term employee benefits are recognised in profit and loss at undiscounted amounts during the period in which the related services are rendered.

2.17 Provisions

a. General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of the discounting due to the passage of time is recognised within finance costs.

b. Provision for legal, tax and regulatory matters

The Group is involved in various legal, tax and regulatory matters, the outcome of which may not be favourable to the Group. Management, in consultation with legal, tax and other advisers where required, assesses the likelihood that a pending claim will succeed against the Group. The Group recognises a provision in cases where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations arising from such claims.

2.18 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised unless virtually certain and disclosed only where an inflow of economic benefits is probable.

2.19 Revenue

Revenue is recognised upon the transfer of control of promised products or services to the customer at the consideration which the Group has received or expects to receive in exchange for those products or services, net of any taxes/duties and discounts. When determining the consideration to which the Group is entitled for providing promised products or services via intermediaries, the Group assesses whether the intermediary is a principal or agent in the onward sale to the end customer. To the extent that the intermediary is considered a principal, the consideration to which the Group is entitled is determined to be that receivable from the intermediary (accounted at gross). To the extent that the intermediary is considered to be an agent, the consideration to which the Group is entitled is determined to be the amount receivable from the ultimate customer (accounted at net off commission). Any upfront discount or commission provided to the intermediary is recognised as operating expenses where the intermediary is considered to be an agent.

The Group has entered into certain multiple-element revenue arrangements, which involve the delivery or performance of multiple products, services or rights to use assets. At the inception of the arrangement, all the deliverables within the contract are evaluated to determine whether they represent distinct performance obligations and, if so, they are accounted for separately.

Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their relative standalone selling prices. The standalone selling prices are the prices at which the Group would sell a promised good or service separately to a customer.

Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

- **Service revenue**

Service revenue is derived from the provision of telecommunications services and mobile money services to customers. The majority of the Group's customers subscribe to services on a pre-paid basis.

Telecommunications service revenue mainly pertains to usage, subscription charges for voice, data, messaging and value added services and customer onboarding charges.

Telecommunications services are considered to represent a single performance obligation as all are provided over the Group's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

Customers primarily pay in advance for services of the Group. These cash amounts are recognised in deferred revenue in the consolidated statement of financial position and transferred to the profit and loss when the service obligation has been performed/when the usage of services becomes remote.

The Group recognises revenue from these services over time as they are provided. Revenue is recognised over time based on actual units of telecommunications services provided during the reporting period as a proportion of the total units of telecommunications services to be provided.

Subscription charges are recognised over the subscription pack validity period.

Revenue recognised in excess of amounts invoiced are classified as unbilled revenue. If amounts invoiced/collected from a customer are in excess of revenue recognised, a deferred revenue/advance income is recognised.

Service revenue also includes revenue from interconnection/roaming charges for use of the Group's network by other operators for voice, data, messaging and signalling services.

Revenue from long distance operations comprise voice services and bandwidth services (including installation), which are recognised on the provision of services, provided over the period of the respective arrangements.

The Group has interconnect agreements with local and foreign operators. This allows customers from either network to originate or terminate calls to each other's network. Revenue is earned and recognised as per bilateral agreements when other operators' calls are terminated to the Group's network, i.e., when the service is rendered.

2. Summary of material accounting policies continued

As part of the mobile money services, the Group earns commission from merchants for facilitating recharges, bill payments and other merchant payments. It also earns commissions on the transfer of money from one customer wallet to another. Such commission is recognised as revenue at a point in time on fulfilment of these services by the Group.

Costs to obtain or fulfil a contract with a customer

The Group defers costs to obtain or fulfil a contract with a customer over expected average customer life determined based on churn rate specific to such contracts.

2.20 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs which are not directly attributable to the acquisition, construction or production of an asset (that necessarily takes a substantial period of time to get ready for its intended use or sale) are expensed in the period they occur.

2.21 Operating profit

Operating profit is stated as revenue less operating expenditure, including depreciation and amortisation and operating exceptional items. Operating profit excludes finance income, finance costs, other non-operating income and share of profit of the associate and joint venture accounted for using equity method.

2.22 Exceptional items – alternative performance measures (APM)

Management exercises judgement in determining the adjustments to apply to IFRS measurements in order to derive APMs, which provide additional useful information on the underlying trends, performance and position of the Group. This assessment covers the nature of the item being one-off or non-routine and the significance of the impact of that item on reported performance in accordance with the Group's exceptional items policy.

To monitor performance, the Group uses the following APMs in addition to the APMs outlined on page 244.

- 'Underlying profit before tax' representing profit before tax for the period, excluding the impact of exceptional items.
- 'Underlying profit after tax' representing profit after tax for the period, excluding the impact of exceptional items and tax on exceptional items.

In measuring the performance of individual segments, the measure used by chief operating decision maker to review and assess the segmental performance is underlying EBITDA representing operating profit before depreciation, amortisation and exceptional items.

Exceptional items refer to items of income or expense within the consolidated statement of comprehensive income which are of such size, nature or incidence that their exclusion is considered necessary to explain the performance of the Group and improve the comparability between periods. Reversals of previous exceptional items are also considered as exceptional items. When applicable, these items include amongst others, currency devaluation of local currencies against the US dollar, network modernisation, share issue expenses, loan prepayment costs, the settlement of legal and regulatory cases, restructuring costs, impairments, gain on sale of tower assets and the initial recognition of deferred tax assets, etc.

The Group has US dollar liabilities in subsidiaries in which the US dollar is not the functional currency. Changes in the US dollar exchange rate against the relevant functional currency leads to foreign exchange gains or losses recorded in the statement of comprehensive income. With respect to the classification of whether these gains or losses, as a result of the devaluation (or appreciation) of local currencies against the US dollar, as an exceptional item, the Group presents the impact as an exceptional item, only if a particular currency has devalued (or appreciated) due to a structural change in the local market (for example as a result of changes in government policy) or the devaluation in a month is more than a threshold percentage. The devaluation (or appreciation) is also only reported as exceptional, if the resultant impact on the Group's profit before tax is higher than a monetary threshold. Reversals of foreign exchange losses as a result of the above are also reported as exceptional. The Group continues to review its exceptional items policy to align it to changes in the macro-economic environment. For the current year, this did not have a change on the amounts reported as exceptional items.

A breakdown of the exceptional items included in the profit and loss for the year is disclosed in note 11.

For other APMs, see pages 244 to 246.

2.23 Dividends

Dividends to shareholders of the company are deducted from retained earnings and recognised as a liability, in the year in which the dividends are approved by the shareholders. Interim dividends are deducted from the retained earnings when they are paid.

2.24 Treasury shares

The company is the sponsoring entity of an Employee Benefit Trust (EBT) which is controlled by the Group. The company provides funds to the EBT to enable it to satisfy its objectives. The company's equity instruments held by the EBT are accounted for as if they were the company's own equity and are treated as treasury shares. Such treasury shares are recorded at cost and deducted from equity. Refer to note 25.1 for details of treasury shares held by the EBT.

2.25 Earnings per share (EPS)

The Group presents the Basic and Diluted EPS data. Basic EPS is computed by dividing the profit for the period attributable to the owners of the company by the weighted average number of shares net of any treasury shares outstanding during the period.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share.

3. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of these financial statements are continuously evaluated by the Group, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. These estimates and judgements are based on the facts and events that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

3. Critical accounting estimates, assumptions and judgements continued

Although the Group regularly assesses these estimates, actual results could differ materially from these estimates (even if the assumptions underlying such estimates were reasonable when made), if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the year in which they become known.

3.1 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

- **Uncertain tax treatments**

Uncertainties exist with respect to the interpretation of complex tax regulations. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions/contingencies, based on reasonable estimates, for potential audits by the tax authorities in the respective countries in which it operates as well as where the probability of tax authorities accepting the Group's treatment is in doubt. The amount of direct tax provisions carried as part of current tax liabilities amounted to $14m and contingencies amounted to $13m (refer to note 28). Reflecting the complexities of tax regulations and international business relationships, as described above, the Group receives from time to time, demands from tax authorities. The Group assesses these demands and estimates whether a provision should be recorded or a contingent liability should be disclosed or whether the matter is considered to be remote. These estimates are based on various factors, such as experience from previous tax audits and the Group's interpretation of tax regulations by the taxable entity and the relevant tax authority. For those demands where the Group believes that currently there is a remote chance of the demand being successful against the Group, no provision is recorded nor a contingent liability is disclosed. However, these estimates which are uncertain may be subject to a material change within the next financial year which could lead to the recognition of additional material provisions or the disclosure of additional material contingent liabilities.

- **Contingent liabilities and provisions**

The Group is involved in various legal, indirect tax and regulatory matters, the outcome of which may not be favourable to the Group. Management, in consultation with legal, indirect tax and other advisers where required, assesses the likelihood that a pending claim will succeed. The Group has applied its judgement and has recognised liabilities based on whether additional amounts will be payable and has included contingent liabilities where economic outflows are considered possible but not probable. The Group carried provisions amounting to $19m in respect of indirect tax, legal and regulatory matters and discloses contingencies amounting to $112m. In recording or disclosing these amounts, the Group has estimated which claims are probable and consequently a provision has been recorded and which are possible for which a contingent liability is disclosed or whether the matter is considered to be remote. However, given the nature of these matters and size of such claims there may be a risk of a material change within the next financial year, including the recognition of additional provisions, should the Group not be successful in defending the cases where contingent liabilities are disclosed. For further details, refer to notes 24 and 28, respectively.

3.2 Critical judgements in applying the Group's accounting policies

In applying the accounting policies, other than those judgements which includes estimation uncertainty and are disclosed in note 3.1 above, the Group has made the following critical judgement:

As described in note 5(b), during the year, the Group incurred significant foreign exchange losses due to the devaluation of the Nigerian naira against the US dollar. While applying the accounting policy around the presentation of such impact as exceptional, the Group has made a judgement to present the foreign exchange losses as a result of this devaluation in the specific months of June 2023 and January to March 2024 as exceptional, in accordance with the Group's accounting policy as described in note 2.22. The critical judgement is, therefore, whether the foreign exchange losses meet the Group's policy as exceptional and whether the foreign exchange losses are of a size, nature and incidence that their exclusion is considered necessary to explain the underlying performance of the Group and to improve the comparability between periods. This is on the basis that the devaluation seen in June 2023 was due to structural changes within the Nigerian foreign exchange market, including abolishment of segmentation, with all segments now collapsing into the Investors and Exporters (I&E) window and the reintroduction of the 'Willing Buyer, Willing Seller' model at the I&E window, which led the Nigerian naira to the US dollar moving from 465 to 752 per USD, meaning that the monthly devaluation was also higher than threshold percentage as per Group's exceptional item policy. The devaluation seen in January 2024 also saw the Nigerian naira to the US dollar moving to 1,414 per USD, which was also above the threshold percentage as per Group's exceptional item policy. Over February and March 2024, the Nigerian naira to US dollar moved back to close at 1,303 per USD which was in effect a part reversal of the losses seen in January 2024. All devaluations seen in other months of the year were below the threshold percentage and, therefore, in line with Group policy have not been presented as exceptional. The total derivative and foreign exchange losses as a result of the devaluation of the Nigerian naira of $770m out of total derivative and foreign exchange losses as a result of the Nigerian naira devaluation of $1,070m have therefore been presented as exceptional.

4. New accounting pronouncements to be adopted on or after 1 April 2024

The following pronouncements issued by the IASB and endorsed by UKEB are relevant to the Group and effective for annual periods beginning on or after 1 January 2024. The Group's financial statements will be presented in accordance with these requirements, which are not expected to have a material impact on the consolidated results, financial position, or cash flows of the Group:

- Amendments to IFRS 16 in relation to sale and leaseback accounting.
- Amendments to IAS 1 in relation to 'classification of liabilities as current and non-current, and non-current liabilities with covenants'.
- Amendments to IAS 7 and IFRS 7 in relation to 'supplier finance arrangements'.

5. Significant transactions/new developments

a) On 10 May 2023, the directors recommended, and shareholders approved on 4 July 2023, a final dividend of 3.27 cents per ordinary share for the year ended 31 March 2023, which was paid on 26 July 2023 to the holders of ordinary shares on the register of members at the close of business on 23 June 2023.

5. Significant transactions/new developments continued

An interim dividend of 2.38 cents per share was also approved by the Board on 29 October 2023, which has been paid on 15 December 2023.

b) In June 2023, the Central Bank of Nigeria (CBN) announced changes to the operations in the Nigerian Foreign Exchange Market, including the abolishment of segmentation, with all segments now collapsing into the Investors and Exporters (I&E) window and the reintroduction of the 'Willing Buyer, Willing Seller' model at the I&E window.

As a result of this CBN decision, the Nigerian naira devalued against the US dollar by approximately 62% (USD appreciation of 38%) in the month of June 2023 where the exchange rate moved to 752 naira per USD as against the opening rate of 465 naira per USD.

The after-effects of the CBN announcement continued to impact the exchange rate materially during January 2024 when the Nigerian naira to the US dollar moved to 1,414 per USD which was also above the threshold percentage as per Group's exceptional item policy. Over February and March 2024, the Nigerian naira to US dollar moved back to close at 1,303 per USD which was in effect a part reversal of the losses seen in January 2024.

This resulted in a material impact on the Group's financial results arising from the translation of monetary items at closing exchange rates leading to material derivative and foreign exchange losses. Refer to page 50 of this report for further details. During the year, the devaluation of Nigerian naira has resulted in derivative and foreign exchange losses of $1,070m.

In line with the Group's policy on exceptional items and alternative performance measures, the impact of the devaluation pertaining to the months of June 2023 and January to March 2024 meet the criteria to be presented as exceptional as per the Group's exceptional item policy as described in note 2.22 and is of such size, nature and incidence that their exclusion is considered necessary to explain the underlying performance of the Group and to improve the comparability between periods. Therefore, the Group has presented as an exceptional item:

- the derivative and foreign exchange losses pertaining to the months of June 2023 and January to March 2024, amounting to $770m, and
- the corresponding tax impact of $250m.

Since the devaluation in other months did not meet the threshold criteria as per the Group's policy on exceptional items as described in note 2.22, the Group has not presented the impact pertaining to these months as exceptional.

Additionally, on account of the translation from naira to US dollar (presentation currency of the Group) of all the assets and liabilities (including goodwill) pertaining to the Group's Nigerian subsidiaries using the closing exchange rate at 31 March 2024 and income and expenses at the average exchange rates for the year ended 31 March 2024, the Group incurred a foreign exchange translation loss recorded in other comprehensive income amounting to $944m for the year ended 31 March 2024.

c) In November 2023, the Reserve Bank of Malawi (RBM) announced structural changes to the foreign exchange market with its decision to adjust the exchange rate from selling rate of MWK 1,180 to a selling rate of MWK 1,700 to the US dollar with effect from 9 November 2023. As part of the structural changes, the RBM started authorising dealer banks to freely negotiate exchange rates to trade with their clients and amongst themselves, notwithstanding any limitations previously in place. This change announced by the RBM is a structural and material change (i.e., more than threshold percentage devaluation in a month) and in line with the Group's policy on exceptional items and alternative performance measures as described in note 2.22, the impact of this change is of such size, nature and incidence that its exclusion is considered necessary to explain the underlying performance of the Group and improve the comparability between periods. Consequently, the Group has presented the impact arising in November 2023 amounting to $37m and the corresponding tax benefit $8m as an exceptional item.

Additionally, on account of translation from MWK to US dollar (presentation currency of the Group) of all the assets and liabilities (including goodwill) pertaining to the Group's subsidiaries in Malawi using the closing exchange rate at 31 March 2024 and income and expenses at the average exchange rates for the year ended 31 March 2024, the Group incurred a foreign exchange translation loss recorded in other comprehensive income amounting to $169m for the year ended 31 March 2024.

d) During the year ended 31 March 2024, the company completed the cancellation and extinction of all of its deferred shares (3,081,744,577 shares) of USD $0.50 nominal value each (the "Capital Reduction"), which was approved by shareholders at the annual general meeting of the company held on 4 July 2023, and was sanctioned by the High Court of England and Wales (the "High Court") on 15 August 2023 and became effective on 18 August 2023 on its certification by the Companies House. The effect of the Capital Reduction is to create additional distributable reserves of $1,541m which will be available to the company going forward and may be used to facilitate returns to shareholders in the future, whether in the form of dividends, distributions, or purchases of the company's own shares. Accordingly, and in line with the High Court approval, the carrying value of the deferred shares ($1,541m) has been transferred to retained earnings.

e) On 29 August 2023, Airtel Uganda Limited issued a prospectus in relation to the offer for sale of 8,000,000,000 ordinary shares, representing 20% of Airtel Uganda Limited on the Uganda Stock Exchange (USE) in line with the 20% minimum public listing obligation for all National Telecom Operators under the current Uganda Communications (Fees & Fines) (Amendment) Regulations 2020.

In November 2023, Airtel Uganda Limited completed an initial public offering (IPO) and listed on the Main Investment Market Segment of the Uganda Securities Exchange (USE) with a total of 4.4 billion shares (10.89% of Airtel Uganda Limited's total share capital) transferred to minority shareholders. Airtel Uganda received a three-year waiver from the Uganda Securities Exchange from the requirement to transfer the remaining 9.11% required to meet the 20% shareholding listing requirement.

This being a transaction with non-controlling shareholders, the impact of $49m (excess of consideration over proportionate net assets net of related transaction costs) has been taken into 'Transaction with NCI reserve' in the consolidated statement of changes in equity.

f) On 01 March 2024, the Company announced the commencement of its share buy-back programme. As part of the programme it entered into an agreement with Citigroup Global Markets Limited ("Citi") to conduct the first tranche of the buy-back amounting to a maximum of $50m and carry out on-market purchases of its ordinary shares with the company subsequently purchasing its ordinary shares from Citi. For the year ended 31 March 2024, the company bought back and cancelled 7,389,855 shares, resulting in 3,750,761,649 ordinary shares outstanding as of 31 March 2024. The purchase price of the shares bought back was $9m and the company carries a liability of $41m as part of 'other financial liabilities' relating to the remaining buy-back agreement with Citi. The nominal value ($0.5 per share) of the cancelled shares, amounting to $4m, has been transferred to the capital redemption reserve.

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

6. Revenue

	For the year ended	
	31 March 2024	31 March 2023
Service revenue	**4,965**	5,245
Sale of products	**14**	10
	4,979	5,255

Transaction price allocated to the remaining performance obligations

Performance obligations that are unsatisfied (or partially unsatisfied) amounting to $123m as of 31 March 2024 and $183m as of 31 March 2023 will be satisfied respectively, within a period of the next year.

Revenue recognised that was included in the deferred revenue balance at the beginning of the year:

	For the year ended	
	31 March 2024	31 March 2023
Revenue recognised that was included in the deferred revenue balance at the beginning of the year	**183**	162

Significant changes in the unbilled revenue and deferred revenue balances during the year are as follows:

	For the year ended			
	31 March 2024		31 March 2023	
	Unbilled Revenue	Deferred Revenue	Unbilled Revenue	Deferred Revenue
Revenue recognised that was included in the deferred revenue balance at the beginning of the year	**–**	**183**	–	162
Increases due to cash received, excluding amounts recognised as revenue during the year	**–**	**123**	–	183
Transfers from unbilled revenue recognised at the beginning of the year to receivables	**59**	**–**	53	–

Reconciliation of costs to obtain or fulfil a contract with a customer

	For the year ended	
	31 March 2024	31 March 2023
Costs to obtain or fulfil a contract with a customer		
Opening balance	**124**	55
Costs incurred and deferred	**176**	171
Less: cost amortised	**(126)**	(95)
Less: FCTR impact	**(39)**	(7)
Closing balance	**135**	124

6.1 Segmental information

The Group's segment information is provided on the basis of geographical clusters and products to the Group's chief executive officer (chief operating decision maker – 'CODM') for the purposes of resource allocation and assessment of performance.

The Group's operating segments are as follows:

Nigeria mobile services – Comprising of mobile service operations in Nigeria.

East Africa mobile services – Comprising of mobile service operations in Uganda, Zambia, Kenya, Tanzania, Malawi and Rwanda.

Francophone Africa mobile services – Comprising of mobile service operations in the Democratic Republic of the Congo, Gabon, Chad, Niger, the Republic of the Congo, Madagascar and Seychelles.

Mobile money* – Comprising of mobile money services across the Group.

* Mobile money services segment consolidates the results of mobile money operations from all operating entities within the Group. Airtel Money Commerce B.V. (AMC BV) is the holding company for all mobile money services for the Group, and as of 31 March 2024 it controls all mobile money operations, excluding operations in Nigeria. It is management's intention to continue work to transfer the Nigerian mobile money services operations into AMC BV, subject to local regulatory approvals.

Each segment derives revenue from the respective services housed within each segment as described above. Expenses, assets and liabilities primarily related to the corporate headquarters and centralised functions of the Group are presented as unallocated items.

The amounts reported to CODM are based on the accounting principles used in the preparation of the financial statements. Each segment's performance is evaluated based on segment revenue and segment result.

The segment result is underlying EBITDA (defined as operating profit/(loss) for the period before depreciation, amortisation and exceptional items). This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance. During the years ended 31 March 2024 and 31 March 2023, the definition of EBITDA is equal to underlying EBITDA since there are no exceptional items pertaining to EBITDA and, therefore, EBITDA is presented in the segment information below.

6. Revenue continued

Inter-segment pricing and terms are reviewed and changed by management to reflect changes in market conditions and changes to such terms are reflected in the period in which the changes occur.

The 'Eliminations' column comprises inter-segment transactions eliminated upon consolidation.

Segment assets and segment liabilities comprise those assets and liabilities directly managed by each segment. Segment assets primarily include receivables, property, plant and equipment, capital work in progress, right-to-use assets, intangibles assets, inventories and cash and cash equivalents. Segment liabilities primarily include operating liabilities. Segment capital expenditure comprises investment in property, plant and equipment, capital work in progress, intangible assets (excluding licences) and capital advances.

Investment elimination upon consolidation and resulting goodwill impacts are reflected in the 'Eliminations' column.

Summary of the segmental information and disaggregation of revenue for the year ended and as of 31 March 2024 is as follows:

	Nigeria mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money	Others (unallocated)	Eliminations	Total
Revenue from external customers							
Voice revenue	710	850	619	–	–	–	2,179
Data revenue	654	621	459	–	–	–	1,734
Mobile money revenue[1]	–	–	–	649	–	–	649
Other revenue[2]	136	138	129	–	14	–	417
Total revenue from external customers	1,500	1,609	1,207	649	14	–	4,979
Inter-segment revenue	3	13	6	188	8	(218)	–
Total revenue	1,503	1,622	1,213	837	22	(218)	4,979
EBITDA	811	788	512	436	(119)	–	2,428
Less:							
Depreciation and amortisation	264	287	209	18	10	–	788
Finance costs							
– Derivative and foreign exchange losses							
Nigerian naira							1,070
Other currencies							189
– Other finance costs							482
Finance income							(38)
Share of profit of associate and joint venture accounted for using equity method							(0)
Loss before tax							(63)
Other segment items							
Capital expenditure	252	284	157	27	17	–	737
As of 31 March 2024							
Segment assets	1,675	2,336	1,647	1,151	20,774	(17,722)	9,861
Segment liabilities	1,890	2,569	2,346	929	9,338	(9,511)	7,561
Investment in associate accounted for using equity method (included in segment assets above)	–	–	5	–	–	–	5

1 Mobile money revenue is net of inter-segment elimination of $188m mainly for commission on sale of airtime. It includes $126m pertaining to East Africa mobile services and a balance of $62m pertaining to Francophone Africa mobile services.

2 Other revenue includes messaging, value added services, enterprise, site sharing and handset sale revenue.

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

6. Revenue continued

Summary of the segmental information and disaggregation of revenue for the year ended and as of 31 March 2023 is as follows:

	Nigeria mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money	Others (unallocated)	Eliminations	Total
Revenue from external customers							
Voice revenue	1,052	835	604	–	–	–	2,491
Data revenue	884	537	366	–	–	–	1,787
Mobile money revenue[1]	–	–	–	540	–	–	540
Other revenue[2]	189	124	114	–	10	–	437
Total revenue from external customers	2,125	1,496	1,084	540	10	–	5,255
Inter-segment revenue	3	12	6	152	4	(177)	–
Total revenue	2,128	1,508	1,090	692	14	(177)	5,255
EBITDA	1,101	755	480	344	(105)	–	2,575
Less:							
Depreciation and amortisation	344	260	190	17	7	–	818
Finance costs							
– Derivative and foreign exchange losses							
Nigerian naira							224
Other currencies							114
– Other finance costs							414
Finance income							(29)
Share of profit of associate and joint venture accounted for using equity method							(0)
Profit before tax							1,034
Other segment items							
Capital expenditure	293	256	151	33	15	–	748
As of 31 March 2023							
Segment assets	2,634	2,255	1,599	945	25,485	(21,752)	11,166
Segment liabilities	2,193	2,393	2,359	742	12,839	(13,168)	7,358
Investment in associate accounted for using equity method (included in segment assets above)	–	–	4	–	–	–	4

1 Mobile money revenue is net of inter-segment elimination of $152m mainly for commission on sale of airtime. It includes $103m pertaining to East Africa mobile services and a balance of $49m pertaining to Francophone Africa mobile services.

2 Other revenue includes messaging, value added services, enterprise, site sharing and handset sale revenue.

Geographical information disclosure based on physical location of non-current assets (PPE, CWIP, ROU, intangible assets, including goodwill and intangible assets under development):

	As of	
	31 March 2024	31 March 2023
United Kingdom	**0**	0
Nigeria	**1,320**	2,379
The Netherlands (including goodwill)	**2,517**	3,464
Others[1]	**3,003**	2,889
Total	**6,840**	8,732

1 Majorly includes other African countries where the Group operates.

7. Employee benefits expense

	For the year ended	
	31 March 2024	31 March 2023
Salaries and bonuses	**254**	243
Defined contribution plan cost	**15**	12
Defined benefit plan cost	**1**	5
Staff welfare expenses	**21**	18
Others	**10**	9
	301	287

Employee benefit expenses include directors' remuneration. For further information about the remuneration of individual directors, refer to pages 156 and 160 of the directors' remuneration report.

Details of year end and monthly average number of people employed by the Group during the year:

	For the year ended			
	31 March 2024		31 March 2023	
	Year end	**Average**	Year end	Average
Nigeria	**787**	**784**	779	728
East Africa	**1,275**	**1,266**	1,250	1,252
Francophone Africa	**1,160**	**1,153**	1,144	1,148
Corporate and others	**910**	**883**	827	779
Total	**4,132**	**4,086**	4,000	3,907

8. Other operating expenses

Other operating expenses include the following:

	For the year ended	
	31 March 2024	31 March 2023
Repairs and maintenance	**30**	24
Travel and conveyance	**20**	16
Charitable donation	**2**	2

8.1 Auditor's remuneration

The total remuneration of the Group's auditor, Deloitte LLP and other component audit firms, for services provided to the Group during the year ended 31 March 2024 and 2023, respectively, is analysed below (in US$ thousands):

	For the year ended	
	31 March 2024 ($ '000)	31 March 2023 ($ '000)
Audit services		
Fees payable to the company's auditor and their associates for the audit of the company's annual accounts	**2,813**	2,407
Fees payable to the company's auditor and their associates for the audit of the company's subsidiaries	**1,985**	2,011
Total audit fees	**4,798**	4,418
Non-audit services		
Fees payable to the company's auditor associates for quarterly assurance services performed by component teams	**1,145**	1,099
Fees payable to the company's auditor and their associates for other assurance services	**665**	488
Fees payable to the company's auditors for half yearly review procedures performed by Deloitte UK for the purposes of Airtel Africa plc	**366**	342
Total non-audit fees	**2,176**	1,929
Total fees	**6,974**	6,347

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

9. Depreciation and amortisation

	For the year ended	
	31 March 2024	31 March 2023
Depreciation	**676**	715
Amortisation	**112**	103
	788	818

10. Finance costs and income

	For the year ended	
	31 March 2024	31 March 2023
Finance costs		
Derivative and foreign exchange losses		
– Net loss on foreign exchange		
Nigerian naira	**863**	133
Other currencies	**183**	126
– Net loss/(gain) on derivative financial instruments		
Nigerian naira	**207**	91
Other currencies	**6**	(12)
	1,259	338
Other finance costs		
– Interest on borrowings and other financial liabilities	**240**	168
– Interest on lease liabilities	**195**	194
– Bank charges, corporate guarantee fees and commitment fees	**16**	20
– Other finance charges	**31**	32
	482	414
Finance income		
Interest income on deposits and others	**38**	29
	38	29

11. Exceptional items

Underlying profit before tax excludes the following exceptional items:

	For the year ended	
	31 March 2024	31 March 2023
(Loss)/profit before tax	**(63)**	1,034
Add: exceptional items		
Finance costs		
– Derivative and foreign exchange losses		
Nigerian naira (refer to note 5(b))	**770**	–
Malawian kwacha (refer to note 5(c))	**37**	–
	807	–
Underlying profit before tax	**744**	1,034

11. Exceptional items continued

Underlying profit after tax excludes the following exceptional items:

	For the year ended	
	31 March 2024	31 March 2023
(Loss)/profit after tax	**(89)**	750
– Exceptional items (as above)	**807**	–
– Tax on above exceptional items		
Nigerian naira (refer to note 5(b))	**(250)**	–
Malawian kwacha (refer to note 5(c))	**(8)**	–
– Deferred tax asset recognition[1]	**–**	(161)
	549	(161)
Underlying profit after tax	**460**	589

1 During the year ended 31 March 2023, the Group had recognised deferred tax assets in Airtel Kenya. Airtel Kenya had carried forward losses and temporary differences on which deferred tax was not previously recognised. Considering Airtel Kenya's profitability trends, that tax losses were utilised and, on the basis of forecast future taxable profits, the Group had determined that it was probable that taxable profits would be available against which the tax losses and temporary differences could be utilised. Consequently, the deferred tax asset recognition criteria were met, leading to the recognition of an additional deferred tax asset of $117m during the year ended 31 March 2023. Additionally, the Group had also recognised deferred tax assets on initial temporary differences for an extended period in Airtel Tanzania and Airtel DRC amounting to $19m and $25m, respectively, based on updated probability of future taxable profits in these subsidiaries

Profit attributable to non-controlling interests amounting to $76m (31 March 2023: $87m) includes a loss of $4m (31 March 2023: gain of $10m) during the year ended 31 March 2024, relating to the above exceptional items.

12. Income tax

The major components of the income tax expense are:

	As of	
	31 March 2024	31 March 2023
Current income tax		
– For the year	**333**	407
– Adjustments for prior periods	**(1)**	1
	332	408
Deferred tax		
– Origination and reversal of temporary differences	**(274)**	(10)
– Recognition of deferred tax on tax losses and temporary differences	**–**	(119)
– Adjustments for prior periods[1]	**(32)**	5
	(306)	(124)
Income tax expenses	**26**	284

1 As of 31 March 2024, this primarily includes amount of deferred tax liability on undistributed earnings in Nigeria reversed due to negative retained earnings owing to foreign exchange loss recorded during the year.

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(All amounts are in US$ millions unless stated otherwise)

12. Income tax continued

Factors affecting the tax expense for the year

The table below explains the differences between the expected tax expense, being the aggregate of the Group's geographical split of profit/(loss) multiplied by the relevant local tax rates and the Group's total tax expense for each year:

	For the year ended	
	31 March 2024	31 March 2023
Continuing profit before tax as shown in the consolidated income statement	**(63)**	1,034
Blended tax rate[1]	**32.0%**	32.3%
Tax expense at the Group's blended tax rate	**(20)**	334
Effect of:		
Tax on dividend and undistributed retained earnings of subsidiaries	**28**	51
Deferred tax triggered during the year[2]	**–**	(119)
Deferred tax recognised on projected profitability[3]	**(15)**	(33)
Irrecoverable withholding taxes	**26**	20
Adjustment in respect of previous years	**(34)**	5
Settlement of various disputes	**1**	0
Expenses (net) not taxable/(deductible)	**9**	(5)
Losses for which no deferred tax asset recognised	**28**	25
Other tax	**3**	6
Income tax expense	**26**	284

1 Blended tax rate has been derived by applying the following formula: profit/(loss) before tax for each entity multiplied by respective statutory tax rate/consolidated profit before tax.

For effective tax rate, refer to the alternative performance measures (APM) on **pages 244 to 249**.

2 As of 31 March 2023, $119m of deferred tax asset (DTA) was recognised on brought forward tax losses and temporary differences for Airtel Kenya for the first time due to continued improvement in profitability. Out of $119m of deferred tax, $117m was recognised under exceptional items for the initial recognition of DTA based on forecasted profitability.

3 During 2023/24, deferred tax asset (net) of $29m recognised in the DRC, $5m in Tanzania and ($19m) in Niger. During 2022/23, deferred tax asset was recognised for $19m in the DRC and $14m in Tanzania, respectively, for initial temporary differences based on forecasted profitability.

The analysis of deferred tax assets and liabilities is as follows:

Deferred tax assets and liabilities are consolidated jurisdiction wise at component level. The break-up of deferred tax assets and net deferred tax liabilities is summarised below.

Deferred tax in jurisdictions with net deferred tax assets is comprised of:

	As of	
	31 March 2024	31 March 2023
Deferred tax assets (net)		
a) Deferred tax asset arising out of		
Carried forward losses	**178**	127
Fair valuation of financial instruments and exchange differences	**323**	68
Depreciation/amortisation on PPE/intangible assets	**80**	99
Provision for impairment of trade receivables/advances	**30**	28
Deferred tax asset on fair valuation of PPE/intangible assets	**5**	11
Employee benefits	**8**	8
Provision for inventories	**3**	3
Deferred revenue	**2**	3
Others	**4**	2
b) Deferred tax liability due to		
Fair valuation of financial instruments and exchange differences	**(8)**	–
Depreciation/amortisation on PPE/intangible assets	**(78)**	(9)
Others	**(4)**	(3)
	543	337

12. Income tax continued

Deferred tax in jurisdictions with net deferred tax liabilities is comprised of:

	As of	
	31 March 2024	31 March 2023
Deferred tax liabilities (net)		
a) Deferred tax liability due to		
Deferred tax liability on retained earnings	**(29)**	(54)
Depreciation/amortisation on PPE/intangible assets	**(46)**	(213)
Fair valuation of financial instruments and exchange differences	**(0)**	(0)
Others	**(3)**	(5)
b) Deferred tax asset arising out of		
Provision for impairment of trade receivables/advances	**5**	10
Carried forward losses	**–**	76
Fair valuation of financial instruments and exchange differences	**2**	68
Deferred revenue	**2**	2
Employee benefits	**1**	2
Provision for inventories	**0**	3
Others	**1**	3
	(67)	(108)

Net deferred tax asset/(liability) reflected in the statement of financial position is as follows:

	As of	
	31 March 2024	31 March 2023
Deferred tax assets	**543**	337
Deferred tax liabilities	**(67)**	(108)
Net	**476**	229

Movement reflected in profit and loss for each of the temporary differences and tax losses carry forward is as follows:

	As of	
	31 March 2024	31 March 2023
Deferred tax expenses /(benefit)		
Carried forward losses	**(15)**	(58)
Depreciation/amortisation on PPE/intangible assets	**(31)**	(12)
Undistributed retained earnings	**(21)**	(16)
Fair valuation of financial instruments and exchange differences	**(241)**	(28)
Provision for impairment of trade receivables/advances	**0**	(10)
Deferred revenue	**1**	(0)
Deferred tax on fair valuation of PPE/intangible	**(1)**	0
Employee benefits	**0**	(2)
Provision for inventories	**3**	(2)
Others	**(1)**	4
	(306)	(124)

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

12. Income tax continued

The movement in net balance of deferred tax asset and liabilities from prior year end is as follows:

	As of	
	31 March 2024	31 March 2023
Opening balance	**229**	108
Tax credit recognised in statement of profit and loss	**306**	124
Translation adjustment recognised in other comprehensive loss and others	**(59)**	(3)
Closing balance	**476**	229

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and carry forward tax losses/credits can be utilised. Accordingly, the Group has not recognised deferred tax assets in respect of deductible temporary differences and carry forward tax losses of $891m and $927m as of 31 March 2024 and 31 March 2023, respectively, as it is not currently probable that relevant taxable profits will be available in future. The applicable tax rates vary from 20% to 33%, depending on the tax jurisdiction in which the respective Group entity operates.

Unused tax losses and deductible temporary differences for which no deferred tax assets is recognised:

	As of	
	31 March 2024	31 March 2023
Expiring within five years	**257**	222
Expiring beyond five years	**–**	20
Unlimited	**634**	685
	891	927

Unused tax losses and deductible temporary differences for which deferred tax assets is recognised:

	As of	
	31 March 2024	31 March 2023
Expiring within five years	**–**	–
Expiring beyond five years	**–**	–
Unlimited	**1,750**	1,100
	1,750	1,100

The Group has not recognised deferred tax liability with respect to unremitted retained earnings and associated foreign currency translation reserve related to to certain of its subsidiaries where the Group is in a position to control the timing of the distribution of profits, and it is probable that the subsidiaries will not distribute the profits in the foreseeable future. The taxable temporary difference associated with unremitted retained earnings is $24m and $29m as of 31 March 2024 and 31 March 2023, respectively. The distribution of the unremitted retained earnings is expected to attract a tax in range of 5% to 20% depending on the tax rate applicable as of 31 March 2024 in the jurisdiction, in which the respective the Group entity operates.

Factors affecting the tax charge in future years:

a) The Group's future tax charge and effective tax rate could be affected by the following factors:

- Change in income tax rate in any of the jurisdictions in which the Group operates
- Overall profit mix between profit and loss making entities
- Withholding tax on distributed and undistributed retained earnings of subsidiaries
- Recognition of deferred tax assets in any of the Group's entities

b) The Group is routinely subjected to audits by tax authorities in the jurisdictions in which the Group operates. The Group recognises tax provisions based on reasonable estimates for those matters where determination of tax is uncertain but it is considered probable that there will be a future outflow of funds to tax authorities. The amount of these provisions is based on various factors, such as experience of previous tax audits and different interpretations of tax regulations by the tax authorities in jurisdictions in which the Group operates. The amount ultimately paid for these uncertain tax cases may differ materially and could, therefore, affect the Group's overall profitability and cash flows in the future.

The tax impact of a transaction disclosed as contingent liability can also be uncertain until a conclusion is reached with the relevant tax authority or through a legal process (refer to note 28 for details of the contingencies pertaining to income tax).

13. Earnings per share (EPS)

The details used in the computation of basic EPS:

	For the year ended	
	31 March 2024	31 March 2023
(Loss)/profit for the year attributable to owners of the company	**(165)**	663
Weighted average ordinary shares outstanding for basic EPS[1]	**3,750,641,207**	3,751,665,898
Basic (loss)/earnings per share	**(4.4) cents**	17.7 cents

The details used in the computation of diluted EPS:

	For the year ended	
	31 March 2024	31 March 2023
(Loss)/profit for the year attributable to owners of the company	**(165)**	663
Weighted average ordinary shares outstanding for diluted EPS[1,2]	**3,750,641,207**	3,756,867,853
Diluted (loss)/earnings per share	**(4.4) cents**	17.7 cents

1 The difference between the basic and diluted number of shares at the end of March 2023 being 5,201,955 shares relates to awards committed but not yet issued under the Group's share-based payment schemes.

2 The 6,017,906 shares granted under different share-based plans are not included in the calculation of diluted earnings per share for the year ended 31 March 2024 as these are anti-dilutive on account of losses during the year. These options could potentially dilute basic earnings per share in future.

14. Property, plant and equipment (PPE)

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended 31 March 2024 and 31 March 2023:

	Leasehold improvements	Buildings	Land	Plant and equipment[2]	Furniture and fixture	Vehicles	Office equipment	Computer	Total	Capital work in progress[3]
Gross carrying value										
Balance as of 1 April 2022	49	47	26	3,045	62	22	55	703	4,009	189
Additions/capitalisation	3	–	0	614	17	0	15	51	700	735
Disposals/adjustments[1]	(0)	–	–	(20)	(3)	(0)	(3)	(5)	(31)	(700)
Foreign currency translation impact	(3)	(4)	(1)	(390)	(6)	(0)	(6)	(53)	(463)	(12)
Balance as of 31 March 2023	49	43	25	3,249	70	22	61	696	4,215	212
Additions/capitalisation	**1**	**–**	**1**	**556**	**10**	**–**	**15**	**45**	**628**	**722**
Disposals/adjustments[1]	**–**	**(1)**	**–**	**(29)**	**(5)**	**–**	**–**	**(4)**	**(39)**	**(628)**
Foreign currency translation impact	**(6)**	**(9)**	**(2)**	**(1,394)**	**(14)**	**(1)**	**(19)**	**(144)**	**(1,589)**	**(74)**
Balance as of 31 March 2024	**44**	**33**	**24**	**2,382**	**61**	**21**	**57**	**593**	**3,215**	**232**
Accumulated depreciation										
Balance as of 1 April 2022	44	20	0	1,003	23	20	32	653	1,795	–
Charge	1	2	–	374	13	0	13	32	435	–
Disposals/adjustments[1]	(0)	–	–	(18)	(3)	(0)	(1)	(5)	(27)	–
Foreign currency translation impact	(3)	(3)	(0)	(222)	(3)	(0)	(5)	(47)	(283)	–
Balance as of 31 March 2023	42	19	–	1,137	30	20	39	633	1,920	–
Charge	**2**	**2**	**–**	**341**	**12**	**0**	**15**	**34**	**406**	**–**
Disposals/adjustments[1]	**(0)**	**(0)**	**–**	**(35)**	**(5)**	**1**	**3**	**1**	**(35)**	**–**
Foreign currency translation impact	**(6)**	**(5)**	**–**	**(739)**	**(9)**	**(1)**	**(14)**	**(129)**	**(903)**	**–**
Balance as of 31 March 2024	**38**	**16**	**–**	**704**	**29**	**20**	**43**	**539**	**1,388**	**–**
Net carrying value										
As of 1 April 2022	5	27	26	2,042	39	2	23	50	2,214	189
As of 31 March 2023	7	24	25	2,112	40	2	22	63	2,295	212
As of 31 March 2024	**6**	**17**	**24**	**1,679**	**31**	**1**	**15**	**54**	**1,827**	**232**

1 Related to the reversal of gross carrying value and accumulated depreciation on retirement/disposal of PPE and reclassification from one category of asset to another.

2 Includes PPE secured against the Group's borrowings outstanding of $139m and $44m as at 31 March 2024 and 31 March 2023, respectively. For details of the security, refer to note 21.2.

3 The carrying value of capital work-in-progress as of 31 March 2024 and 31 March 2023 mainly pertains to plant and equipment.

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(All amounts are in US$ millions unless stated otherwise)

15. Intangible assets

The following table presents the reconciliation of changes in the carrying value of goodwill and other intangible assets for the year ended 31 March 2024 and 2023:

		Other intangible assets				
	Goodwill	Software	Licences (including spectrum)[2]	Others	Total	Intangibles under development
Gross carrying value						
Balance as of 1 April 2022	3,827	3	1,042	30	1,075	2
Additions/capitalisation	–	–	322	9	331	738
Disposals/adjustments[1]	–	–	(41)	–	(41)	(331)
Foreign currency translation impact	(311)	–	(106)	(2)	(108)	(10)
Balance as of 31 March 2023	3,516	3	1,217	37	1,257	399
Additions/capitalisation	**–**	**1**	**344**	**11**	**356**	**33**
Disposals/adjustments[1]	**–**	**4**	**(1)**	**–**	**3**	**(356)**
Foreign currency translation impact	**(947)**	**(0)**	**(604)**	**(1)**	**(605)**	**(72)**
Balance as of 31 March 2024	**2,569**	**8**	**956**	**47**	**1,011**	**4**
Accumulated amortisation						
Balance as of 1 April 2022	–	3	416	24	443	–
Charge	–	–	99	4	103	–
Disposals/adjustments[1]	–	–	(41)	0	(41)	–
Foreign currency translation impact	–	–	(60)	(1)	(61)	–
Balance as of 31 March 2023	–	3	414	27	444	–
Charge	**–**	**2**	**103**	**7**	**112**	**–**
Disposals/adjustments[1]	**–**	**–**	**(1)**	**0**	**(1)**	**–**
Foreign currency translation impact	**–**	**(0)**	**(268)**	**(1)**	**(269)**	**–**
Balance as of 31 March 2024	**–**	**5**	**248**	**33**	**286**	**–**
Net carrying value						
As of 1 April 2022	3,827	–	626	6	632	2
As of 31 March 2023	3,516	–	803	10	813	399
As of 31 March 2024	**2,569**	**3**	**708**	**14**	**725**	**4**

1 Mainly consists of reversal of gross carrying value and accumulated depreciation on retirement of intangibles and reclassification from one category of asset to another. Also includes movement from intangible asset under development on capitalisation.

2 The Group capitalises deferred spectrum licence payments, for which the Group is under an obligation for payment until the expiry of the licence period. Consequently, intangible assets are recognised at the present value of such payments with a corresponding liability.

The weighted average remaining amortisation period of the Group's licences as of 31 March 2024 and 2023 is 10.38 years and 10.35 years, respectively.

Impairment review

The carrying amount of goodwill is attributed to the following groups of CGUs, which are also the Group's operating segments:

	As of	
	31 March 2024	31 March 2023
Nigeria – mobile services	**318**	900
East Africa – mobile services	**834**	927
Francophone Africa – mobile services	**500**	503
Mobile money services	**917**	1,186
	2,569[1]	3,516

1 The decrease in carrying amount of goodwill by $947m is due to foreign currency translation differences (for more details, refer to note 5(b) and 5(c)).

The Group tests goodwill for impairment annually on 31 December. The carrying value of goodwill as of 31 December 2023 was $436m, $833m, $503m and $967m for Nigeria mobile services, East Africa mobile services and Francophone Africa mobile services and mobile money services, respectively. The recoverable amounts of the above group of CGUs are based on value-in-use, which are determined based on ten-year business plans that have been approved by the Board.

15. Intangible assets continued

Whilst the Board performed a long-term viability assessment over a three-year period, for the purposes of assessing liquidity (refer to long-term viability statement on pages 80-81), the Group has adopted a ten-year plan for the purpose of impairment testing due to the following reasons:

- The Group operates in emerging markets where the telecommunications and mobile money markets are underpenetrated when compared to developed markets. In these emerging markets, short-term plans (for example, five years) are not indicative of the long-term future prospects and performance of the Group.
- The life of the Group's regulatory telecom licences and network assets are at an average of ten years, the spectrum renewals happen for a period of ten years or more and in general the replacement of technology happens after a similar duration, and
- The potential opportunities of the emerging African telecom and mobile money sectors, which is mostly a two-to-three player market with lower smartphone penetration.

Accordingly, the Board approved that this planning horizon reflects the assumptions for medium- to long-term market developments, appropriately covers dynamics of emerging markets and better reflects the expected performance in the markets in which the Group operates.

While using the ten-year plan, the Group also considers external market data to support the assumptions used in such plans, which is generally available only for the first five years. Considering the degree of availability of external market data beyond year five, the Group has performed sensitivity analysis to assess the impact on impairment of using a five-year plan. The results of this sensitivity analysis demonstrate that the initial five-year plan with appropriate changes, including long-term growth rates applied at the end of this period does not result in any impairment and does not decrease the recoverable value by more than 10% in any of the group of CGUs as compared to the recoverable value using the ten-year plan. Furthermore, the Group is confident that projections for years six to ten are reliable and can demonstrate its ability, based on past experience, to forecast cash flows accurately over a longer period. Accordingly, the Board has approved and the Group continues to follow a consistent policy of using an initial forecast period of ten years for the purpose of impairment testing.

The nominal cash flows used in the impairment tests reflect the Group's current assessment of the impact of climate change and associated commitments the Group has made (refer to our climate change disclosures on pages 63-70). Based on the analysis conducted so far, the Group is satisfied that the impact of climate change does not lead to an impairment as of 31 December 2023 and is adequately covered as part of the sensitivities disclosed below.

The nominal cash flows beyond the planning period are extrapolated using appropriate long-term terminal growth rates. The long-term terminal growth rates used do not exceed the long-term average growth rates of the respective industry and country in which the entity operates and are consistent with internal/external sources of information.

The inputs used in performing the impairment assessment as of 31 December 2023 were as follows:

Assumptions	Nigeria mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money services
Pre-tax discount rate	33.55%	21.76%	22.18%	23.59%
Capital expenditure (as a percentage of revenue)	5%–18%	12%–28%	10%–15%	2%–5%
Long-term growth rate	11.00%	7.74%	6.81%	7.79%

As of 31 December 2023, the impairment testing did not result in any impairment in the carrying amount of goodwill in any group of CGUs.

The key assumptions in performing the impairment assessment are as follows:

Assumptions	Basis of assumptions
Discount rate	Nominal discount rate reflects the market assessment of the risks specific to the group of CGUs and are estimated based on the weighted average cost of capital for respective CGUs.
Capital expenditure	The cash flow forecasts of capital and spectrum licences expenditure are based on experience after considering the expenditure required to meet coverage, licence and capacity requirements relating to voice, data and mobile money services.
Long-term growth rates	The growth rates into perpetuity used are in line with the nominal long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal/external sources of information.

As of 31 December 2023, the impairment testing did not result in any impairment in the carrying amount of goodwill in any group of CGUs. The results of the impairment tests using these rates show that the recoverable amount exceeds the carrying amount by $1,263m for Nigeria mobile services (76%), $2,211m for East Africa mobile services (92%), $994m for Francophone Africa mobile services (64%) and $3,410m for Mobile money (328%), respectively. The Group, therefore, concluded that no impairment was required to the goodwill held against each group of CGUs. Subsequent to December 2023, the Group has also performed indicator testing for impairment of goodwill and has concluded that there are no indicators of impairment (including on account of devaluation of Nigeria naira).

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(All amounts are in US$ millions unless stated otherwise)

15. Intangible assets continued

Sensitivity in discount rate and capital expenditure

Management believes that no reasonably possible change in any of the key assumptions would cause the difference between the carrying value and recoverable amount for any cash-generating unit to be materially different from the recoverable value in the base case. The table below sets out the breakeven pre-tax discount rate for each group of CGUs, which will result in the recoverable amount being equal with the carrying amount for each group of CGUs:

	Nigeria mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money services
Pre-tax discount rate	47.47%	32.37%	31.73%	67.24%

The table below presents the increase in isolation in absolute capital expenditure as a percentage of revenue (across all years of the impairment review) which will result in equating the recoverable amount with the carrying amount for each group of CGUs:

	Nigeria mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money services
Capital expenditure (as a percentage of revenue)	7.12%	8.33%	6.07%	22.34%

No reasonably possible change in the terminal growth rate would cause the carrying amount to exceed the recoverable amount.

Impairment assessment for the year ended 31 March 2023:

The inputs used in performing the impairment assessment as of 31 December 2022 were as follows:

Assumptions	Nigeria mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money services
Pre-tax discount rate	33.38%	23.01%	21.07%	26.10%
Capital expenditure (as a percentage of revenue)	6% – 23%	8% – 20%	9% – 26%	1% – 5%
Long-term growth rate	7.64%	7.30%	7.35%	7.47%

The key assumptions in performing the impairment assessment are as follows:

Assumptions	Basis of assumptions
Discount rate	Nominal discount rate reflects the market assessment of the risks specific to the group of CGUs and estimated based on the weighted average cost of capital for respective CGUs.
Capital expenditure	The cash flow forecasts of capital and spectrum licences expenditure are based on experience after considering the expenditure required to meet coverage, licence and capacity requirements relating to voice, data and mobile money services.
Long-term growth rates	The growth rates into perpetuity used are in line with the nominal long-term average growth rates of the respective industry and country in which the entity operates and are consistent with the internal/external sources of information.

As of 31 December 2022, the impairment testing did not result in any impairment in the carrying amount of goodwill in any group of CGUs. The results of the impairment tests using these rates show that the recoverable amount exceeds the carrying amount by $1,342m for Nigeria mobile services (54%), $1,593m for East Africa mobile services (66%), $1,512m for Francophone Africa mobile services (105%) and $2,688m for mobile money services (198%), respectively. The Group, therefore, concluded that no impairment was required to the goodwill held against each groups of CGUs.

Sensitivity in discount rate and capital expenditure

Management believes that no reasonably possible change in any of the key assumptions would cause the difference between the carrying value and recoverable amount for any cash generating unit to be materially different from the recoverable value in the base case. The table below sets out the break-even pre-tax discount rate for each group of CGUs, which will result in the recoverable amount being equal with the carrying amount for each group of CGUs:

	Nigeria mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money services
Pre-tax discount rate	46.89%	32.34%	33.37%	55.00%

The table below presents the increase in isolation in absolute capital expenditure as a percentage of revenue (across all years of the impairment review) which will result in equating the recoverable amount with the carrying amount for each group of CGUs:

	Nigeria mobile services	East Africa mobile services	Francophone Africa mobile services	Mobile money services
Capital expenditure (as a percentage of revenue)	6.21%	8.15%	8.89%	20.24%

No reasonably possible change in the terminal growth rate would cause the carrying amount to exceed the recoverable amount.

16. Derivative financial instruments

	As of	
	31 March 2024	31 March 2023
Assets		
Currency swaps, forward and option contracts	**10**	4
Interest swaps	**0**	9
	10	13
Liabilities		
Currency swaps, forward and option contracts	**177**	48
Interest swaps	**0**	–
Embedded derivatives	**0**	0
	177	48
Non-current derivative financial assets	**0**	9
Current derivative financial assets	**10**	4
Non-current derivative financial liabilities	**(33)**	(43)
Current derivative financial liabilities	**(144)**	(5)
	(167)	(35)

The Group holds derivatives which are accounted for as 'fair value through profit or loss' (FVTPL). In some of these derivatives, on recognition, since the fair value of these derivatives could neither be evidenced by a quoted price in an active market nor data from any observable markets was available, the difference between the fair value at initial recognition and the transaction price is deferred and recognised on a straight line basis over the tenure of such derivatives. The fair value of the derivatives is determined based on a valuation report by the derivative issuer.

A reconciliation of day one aggregate difference is not recognised at the beginning and the end of the year of changes in the balance of this difference is as follows:

	For the year ended	
	31 March 2024	31 March 2023
Opening balance	**21**	1
Difference between fair value on initial recognition and transaction price	**–**	30
Less: aggregate difference recognised in profit and loss	**(15)**	(10)
Closing balance	**6**	21

17. Other non-financial assets

Non-current

	As of	
	31 March 2024	31 March 2023
Prepayments[1]	**81**	80
Advances (net)[2]	**30**	37
Cost to obtain or fulfil a contract with a customer	**35**	34
Others	**0**	–
	146	151

1 Prepayments mainly include advance payments in respect of capacity indefeasible right to use (IRUs) and lease contracts for which leases are yet to commence.

2 Advances (net) mainly includes payments made to various government authorities under protest, for tax, legal and regulatory sub judice matters and are net of allowance recognised as part of the Group's recoverability assessment of $13m and $13m as of 31 March 2024 and 2023, respectively.

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

17. Other non-financial assets continued

Current

	As of	
	31 March 2024	31 March 2023
Cost to obtain or fulfil a contract with a customer	**100**	90
Prepayments[1]	**60**	70
Taxes recoverable[2]	**61**	69
Advances to suppliers (net)[3]	**20**	24
Others[4]	**13**	6
	254	259

1 Prepayments mainly include advance payment in respect of capacity indefeasible right to use (IRU), network costs and advance payments for lease contracts for which leases are yet to commence.

2 Taxes recoverable include customs duty, sales tax and value added tax.

3 Advance to suppliers (net) are disclosed net of provision of $6m and $7m as of 31 March 2024 and 2023, respectively.

4 Others mainly include claims receivable from vendors based on contractual arrangements and employee advances net of related provision of $6m and $5m as of 31 March 2024 and 2023, respectively.

18. Trade receivables

	As of	
	31 March 2024	31 March 2023
Trade receivable[1]	**357**	329
Less: allowance for impairment of trade receivables	**(173)**	(184)
	184	145

1 Refer to note 31 for credit risk.

The movement in allowances for doubtful debts is as follows:

	For the year ended	
	31 March 2024	31 March 2023
Opening balance	**184**	180
Additions	**25**	40
Reversal	**(18)**	(28)
Foreign currency translation impact recognised in OCI	**(18)**	(8)
Closing balance	**173**	184

There has been no change in the estimation techniques or significant assumptions made in calculating the provision.

19. Cash and bank balances

Cash and cash equivalents

	As of	
	31 March 2024	31 March 2023
Balances with banks		
– On current accounts	**192**	248
– Bank deposits with original maturity of three months or less	**311**	272
Balance held in wallets	**111**	64
Remittance in transit	**5**	1
Cash on hand	**1**	1
	620	586

Other bank balances

	As of	
	31 March 2024	31 March 2023
Term deposits with banks with original maturity of more than three months but less than 12 months	**344**	117
Margin money deposits[1]	**9**	14
Unpaid dividend	**0**	0
	353	131

1 Margin money deposits represent amount given as collateral for legal cases and/or bank guarantees for disputed matters.

For the purpose of the statement of cash flows, cash and cash equivalents are as follows:

	As of	
	31 March 2024	31 March 2023
Cash and cash equivalents as per statement of financial position	**620**	586
Balance held under mobile money trust	**737**	616
Bank overdraft	**(457)**	(361)
	900	841

20. Financial assets – others

Current

	As of	
	31 March 2024	31 March 2023
Unbilled revenue	**35**	59
Claims recoverable[1]	**20**	41
Interest accrued on investments/deposits	**10**	3
Others[2]	**41**	39
	106	142

1 This primarily includes receivables under the Group's tower sale agreements.

2 This primarily relates to advances given as collateral for currency swaps, and an amount receivable from minority shareholders on account of issue of share capital in one of the subsidiaries.

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

21. Borrowings

Non-current

	As of	
	31 March 2024	31 March 2023
Secured		
Term loans[1]	**124**	35
	124	35
Unsecured		
Term loans[1]	**823**	644
Non-convertible bonds[1,2]	**–**	554
	823	1,198
	947	1,233

Current

	As of	
	31 March 2024	31 March 2023
Secured		
Term loans[1]	**15**	9
	15	9
Unsecured		
Non-convertible bonds[1,2]	**550**	–
Term loans[1]	**404**	575
Bank overdraft	**457**	361
	1,411	936
	1,426	945

1 Includes debt origination costs.

2 Includes impact of fair value hedges (refer to note 31).

21.1 Analysis of borrowings

The details given in notes 21.1.1, 21.1.2 and 21.2 are based on contractual cash flows before adjusting for debt origination cost and fair valuation adjustments pertaining to the Group's fair value hedges.

21.1.1 Repayment terms of borrowings

The table below summarises the maturity profile of the Group's borrowings:

	As of	
	31 March 2024	31 March 2023
Within one year	**1,426**	945
Between one and two years	**386**	826
Between two and five years	**523**	345
Over five years	**45**	62
	2,380	2,178

21. Borrowings continued

21.1.2 Currency of borrowings

	Total borrowings	Floating rate borrowings	Fixed rate borrowings
USD	**1,243**	**529**	**714**
Euro	**69**	**69**	**–**
UGX	**157**	**152**	**5**
KES	**306**	**278**	**28**
XAF	**158**	**–**	**158**
XOF	**62**	**–**	**62**
NGN	**185**	**2**	**183**
Others	**200**	**129**	**71**
31 March 2024	**2,380**	**1,159**	**1,221**
USD	1,430	713	717
Euro	70	70	–
UGX	136	116	20
KES	128	89	39
XAF	141	–	141
XOF	77	–	77
Others	196	137	59
31 March 2023	2,178	1,125	1,053

21.2 Security details

The Group has taken borrowings in certain subsidiaries. The details of security provided against such borrowings are as follows:

		Outstanding borrowing amount		
Entity	Relation	**31 March 2024**	31 March 2023	Security Details
Airtel Networks Limited	Subsidiary	**89**	1	Pledge of all fixed and floating assets.
Airtel Tanzania plc	Subsidiary	**50**	43	First pari-passu security in form of fixed and floating charge over all assets, with certain agreed exclusions, for the outstanding amount with a maximum amount of up to 125% of the facility.

The $550m USD bonds maturing in 2024 contain a negative pledge covenant whereby Bharti Airtel Limited and certain of its significant subsidiaries are not permitted to create any security interest to secure any indebtedness for borrowed money or obligations evidenced by bonds, debentures or notes (among other things, and subject to certain exceptions), without at the same time granting security equally and ratably to the holders of these bonds.

These bonds also contain an event of default clause which gets triggered, if Bharti Airtel Limited (intermediate parent entity) ceases to control, directly or indirectly, at least 51% of the voting power of the voting stock of Bharti Airtel International (Netherlands) B.V. (a subsidiary of the Group) in addition to other events of default which are usual and customary to such bonds.

These bonds are guaranteed by Bharti Airtel Limited (intermediate parent entity), for detail refer to note 30. Such guarantee is considered an integral part of the bonds and, therefore, accounted for as part of the same unit of account.

21.3 Unused lines of credit[1]

The below table provides details of undrawn credit facilities that are available to the Group.

	As of	
	31 March 2024	31 March 2023
Undrawn credit facilities	**404**	859

1 Excluding non-fund based facilities such as bank guarantees.

For updated details around the committed facilities available to the Group as of the date of authorisation of financial statements, refer to note 2.2 on going concern.

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

22. Financial liabilities – others

Non-current

	As of	
	31 March 2024	31 March 2023
Deferred payment liability	**139**	142
Security deposits	**3**	3
Others	**4**	2
	146	147

Current

	As of	
	31 March 2024	31 March 2023
Payable against capital expenditure	**269**	377
Interest accrued but not due	**46**	26
Security deposit[1]	**11**	13
Deferred payment liability	**27**	40
Dividend payable to NCI	**19**	13
Others[2]	**68**	64
	440	533

1 This pertains to deposits received from customers/channel partners, which are repayable on demand after adjusting the outstanding from such customers/ channel partners.

2 This mainly pertains to amount payable of $41m in respect of ordinary shares buy-back programme and interest received on trust bank accounts.

23. Other non-financial liabilities

Non-current

	As of	
	31 March 2024	31 March 2023
Income received in advance	**13**	13
Others	**3**	–
	16	13

Current

	As of	
	31 March 2024	31 March 2023
Taxes payable[1]	**182**	187
Income received in advance	**33**	5
	215	192

1 Taxes payable includes value added tax, excise, withholding taxes and other taxes payable.

24. Provisions

Non-current

	As of	
	31 March 2024	31 March 2023
Provision for defined benefit obligations	**12**	11
Provision for other long-term employee benefits	**8**	8
Asset retirement obligations[1]	**2**	2
Total	**22**	21

24. Provisions continued

Current

	As of	
	31 March 2024	31 March 2023
Provision for short-term employee benefits payable	**45**	43
Provision for sub judice matters	**19**	30
Provision for defined benefit obligations	**10**	6
Provision for other long- term employee benefits	**4**	4
Total	**78**	83

1 The amount of future cash outflows to meet the asset retirement obligations are subject to inherent uncertainties due to limited availability of information on the amount of cost to be incurred in future.

The movement of provision for sub judice matters is as given below:

	For the year ended 31 March 2024		
	Indirect tax cases	**Legal and regulatory cases**	**Total**
Opening balance	**11**	**19**	**30**
Additions during the year	**3**	**2**	**5**
Reversal during the year	**(2)**	**(1)**	**(3)**
Utilised/settled during the year	**(5)**	**(8)**	**(13)**
Closing balance	**7**	**12**	**19**

	For the year ended 31 March 2023		
	Indirect tax cases	Legal and regulatory cases	Total
Opening balance	12	51	63
Additions during the year	5	2	7
Reversal during the year	(3)	(12)	(15)
Utilised/settled during the year	(3)	(22)	(25)
Closing balance	11	19	30

For details of contingent liabilities, refer to note 28.

25. Share capital

	As of	
	31 March 2024	31 March 2023
Issued, subscribed and fully paid-up shares		
3,750,761,649 ordinary shares of $0.50 each (March 2023: 3,758,151,504) – refer to note 5(f)	**1,875**	1,879
Nil deferred shares of $0.50 each (March 2023: 3,081,744,577) – refer to note 5(d)	**–**	1,541
	1,875	3,420

25.1 Treasury shares

Details of movement in treasury shares:

	For the year ended			
	31 March 2024		31 March 2023	
	Number of shares	**Amount**	Number of shares	Amount
Opening balance	**7,326,058**	**12**	4,932,206	7
Purchased during the year	**1,400,955**	**2**	6,327,804	11
Exercised during the year	**(1,638,525)**	**(3)**	(3,933,952)	(6)
Closing balance	**7,088,488**	**11**	7,326,058	12

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

25. Share capital continued

Terms/rights attached to equity shares

The company has the following two classes of ordinary shares:

- Ordinary shares having par value of $0.50 per share. Each holder of equity shares is entitled to cast one vote per share and carry a right to dividends.
- Deferred shares of $0.50 each. These shares have been cancelled and extinguished during the year ended 31 March 2024. For details, refer to note 5(d).

26. Other equity

Retained earnings

Retained earnings represent the amount of accumulated earnings of the company and gains/(losses) on common control transactions.

The company's distributable reserves are equal to the balance of its retained earnings of $2,227m (as presented on page 240 in the company only financial statements). The majority of the distributable reserves are held in investment and operating subsidiaries. Management continuously monitors the level of distributable reserves in each company in the Group, ensuring adequate reserves are available for upcoming dividend payments and that the company has access to these reserves.

Capital redemption reserve

The capital redemption reserve reflects the nominal value of shares cancelled as part of the Group's share buy-back programme.

a. Other components of equity

	Foreign currency translation reserve	Share stablisation reserve	Share based payment reserve	Capital redemption reserve[1]	Treasury shares and other reserves[2]	Total
As of 1 April 2022	(2,412)	7	1	–	(7)	(2,412)
Net losses due to foreign currency translation differences	(341)	–	–	–	–	(341)
Purchase of own shares (net)	–	–	–	–	(5)	(5)
Employee share-based payment reserve	–	–	0	–	–	0
As of 31 March 2023	(2,753)	7	1	–	(12)	(2,758)
As of 01 April 2023	**(2,753)**	**7**	**1**	**–**	**(12)**	**(2,758)**
Net losses due to foreign currency translation differences	**(1,141)**	**–**	**–**	**–**	**–**	**(1,141)**
Purchase of own shares (net)	**–**	**–**	**–**	**–**	**1**	**1**
Ordinary shares buy-back programme (refer to note 5(f))	**–**	**–**	**–**	**4**	**(41)**	**(37)**
Employee share-based payment reserve	**–**	**–**	**2**	**–**	**–**	**2**
As of 31 March 2024	**(3,894)**	**7**	**3**	**4**	**(53)**	**(3,933)**

1 Capital redemption reserve of $4m created on account of cancellation of ordinary shares buy-back during the year. Refer to note 5(f).

2 Treasury shares and other reserves includes:

- $41m as of 31 March 2024 (March 2023: Nil) related to reserve created on account of launch of buy-back scheme
- $11m as of 31 March 2024 (March 2023: $12m) related to the treasury shares held by EBT on behalf of the Group. Refer to note 25.1

26.1 Dividends

	For the year ended	
	31 March 2024	31 March 2023
Distributions to equity holders in the year:		
Final dividend for the year ended 31 March 2023 of 3.27 cents (March 2022: 3 cents) per share	**123**	113
Interim dividend for the year ended 31 March 2024 of 2.38 cents (March 2023: 2.18 cents) per share	**89**	82
	212	195
Proposed dividend for the year ended 31 March 2024 of 3.57 cents (March 2023: 3.27 cents) per share	**133**	123

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting (AGM) and has not been included as a liability in these financial statements. The proposed dividend is payable to all ordinary shareholders on the register of members as of 21 June 2024. The payment of this dividend will not have any tax consequences for the Group.

27. Investments in subsidiaries

The details (principal place of operation/country of incorporation, principal activities and percentage ownership interest and voting power (direct/indirect) held by the Group) of subsidiaries are set out in note 33.

Summarised financial information of the principal subsidiaries having material non-controlling interests is as follows:

A. Airtel Tanzania plc

Summarised financial position

	As of	
	31 March 2024	31 March 2023
Assets		
Non-current assets	**520**	518
Current assets	**64**	182
Liabilities		
Non-current liabilities	**250**	225
Current liabilities	**191**	318
Equity	**143**	157
% of ownership interest held by NCI	**49%**	49%
Accumulated NCI[1]	**89**	98

1 Includes share of goodwill of $19m (March 2023: $21m).

Summarised income statement

	For the year ended	
	31 March 2024	31 March 2023
Revenue	**309**	337
Net profit	**18**	70
Other comprehensive loss	**(16)**	(0)
Total comprehensive income	**2**	70
Profit allocated to NCI	**9**	34

Summarised cash flows

	For the year ended	
	31 March 2024	31 March 2023
Net cash inflow from operating activities	**122**	103
Net cash outflow from investing activities	**(83)**	(66)
Net cash outflow from financing activities	**(41)**	(25)
Net cash (outflow)/inflow	**(2)**	12
Dividend paid to NCI during the year (included in cash flow from financing activities)	**6**	36

B. Airtel Malawi plc

Summarised financial position

	As of	
	31 March 2024	31 March 2023
Assets		
Non-current assets	**115**	123
Current assets	**47**	79
Liabilities		
Non-current liabilities	**64**	38
Current liabilities	**106**	122
Equity	**(8)**	42
% of ownership interest held by NCI	**20%**	20%
Accumulated NCI[1]	18	42

1 Includes share of goodwill of $20m (March 2023: $33m).

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

27. Investments in subsidiaries continued

Summarised income statement

	For the year ended	
	31 March 2024	31 March 2023
Revenue	**164**	164
Net profit	**(9)**	34
Other comprehensive loss	**(8)**	(9)
Total comprehensive income	**(17)**	25
Profit allocated to NCI	**(2)**	7

Summarised cash flows

	For the year ended	
	31 March 2024	31 March 2023
Net cash inflow from operating activities	**89**	82
Net cash outflow from investing activities	**(77)**	(5)
Net cash outflow from financing activities	**(24)**	(56)
Net cash (outflow)/inflow	**(12)**	21
Dividend paid to NCI during the year (included in cash flow from financing activities)	**5**	6

C. Airtel Mobile Commerce B.V. sub-group (i.e., including subsidiaries of AMC BV)

Summarised financial position

	As of	
	31 March 2024	31 March 2023
Assets		
Non-current assets	**52**	42
Current assets	**1,086**	757
Liabilities		
Non-current liabilities	**23**	20
Current liabilities	**894**	592
Equity	**220**	187
% of effective ownership interest held by NCI[1]	**21%**	26%
Accumulated NCI	**47**	48

1 Reduction in NCI primarily consists of release of escrow shares on completion of restructuring period as per agreement with NCI shareholders. The effective shareholding of 21% also takes into account NCI in subsidiaries within the AMC BV group (i.e., Tanzania, Niger and the Republic of the Congo).

Summarised income statement

	For the year ended	
	31 March 2024	31 March 2023
Revenue	**806**	584
Net profit	**248**	183
Other comprehensive loss	**(19)**	(9)
Total comprehensive income	**229**	174
Profit allocated to NCI	**55**	47

Summarised cash flows

	For the year ended	
	31 March 2024	31 March 2023
Net cash inflow from operating activities	**482**	220
Net cash outflow from investing activities	**102**	(42)
Net cash outflow from financing activities	**(174)**	(151)
Net cash inflow	**410**	27
Dividend paid to NCI during the year (included in cash flow from financing activities)	**51**	31

28. Contingent liabilities and commitments

(i) Contingent liabilities

	As of	
	31 March 2024	31 March 2023
(a) Taxes, duties and other demands (under adjudication/appeal/dispute)		
– Income tax	**13**	16
– Value added tax	**20**	20
– Customs duty and excise duty	**9**	9
– Other miscellaneous demands	**7**	5
(b) Claims under legal and regulatory cases, including arbitration matters	**76**	82
	125	132

There are uncertainties in the legal, regulatory and tax environment in the countries in which the Group operates, and there is a risk of demands, which may be raised based on current or past business operations. Such demands have been challenged in the past and contested on merits with the relevant authorities and appropriate settlements agreed.

The reduction of $7m in contingent liabilities during the year ended 31 March 2024 is primarily due to currency devaluation in subsidiaries.

The company and its subsidiaries are currently and may become, from time to time, involved in a number of legal proceedings, including inquiries from, or discussions with, governmental authorities that are incidental to their operations. As of 31 March 2024, the Group's key contingent liabilities include the following:

Claims under legal and regulatory cases, including arbitration matter

One of the subsidiaries of the Group is involved in a dispute with one of its vendors, with respect to invoices for services provided to a subsidiary under a service contract. The original order under the contract was issued by the subsidiary for a total amount of Central African franc (CFA) 473,800,000 (approximately $1m). In 2014, the vendor-initiated arbitration proceedings claiming a sum of approximately CFA 1.9 billion (approximately $3m) based on the court award. Multiple court proceeding have happened from 2015 onwards and in mid-May 2019, the lower courts imposed a penalty of CFA 35 billion (approximately $58m), based on which certain banks of the subsidiary were summoned to release the funds. The subsidiary immediately lodged an appeal in the Supreme Court for a stay of execution which was granted. Subsequently, the vendor filed an appeal before the Common Court of Justice and Arbitration (CCJA). Quite unexpectedly, in April 2020, the CCJA lifted the Supreme Court stay of execution. In May 2021, the Commercial Division of the High Court maintained new seizures carried out by the vendor. The subsidiary appealed and the Court of Appeal determination on the seizures is pending as of April 2022. In March 2022 the CCJA interpreted its judgment of March 2019 to indicate that the daily penalty could not be maintained after its ruling dated 18 November 2018.

Separately, in December 2020 the subsidiary initiated criminal proceedings against the vendor for fraud and deceitful conduct. In February 2021, the investigating judge issued an order to cease the investigation which was appealed by the Subsidiary. In March 2022, the Court Appeal quashed the investigative judge order and allowed the investigation into the vendor to resume. Testimony in the criminal investigation case happened on 26 April 2022 in front of the criminal court of appeal where the honorable judge has further re-examined the facts from the representatives of the subsidiary against this case. A stay of execution was issued on 30 May 2022 by the Chamber of Accusation in favour of subsidiary until the time criminal investigation is completed. In October 2023, the criminal court ordered the dismissal of the case despite evidence of initial payment provided to the judge. The subsidiary has appealed to the Supreme Court, and a decision is awaited.

As per the law no civil action can be initiated against the subsidiary while criminal proceedings are ongoing. On 30 November 2022, subsidiary was notified that plaintiff has appealed in the court of cassation against the stay of execution dated 30 May 2022. Subsidiary has filed its response on 26 January 2023. On 8 May 2023, the subsidiary filed an application in the Commercial court to seek a cease-and-desist order against the vendor. The matter is pending before the Commercial court, and the substantial appeal has been transferred to CCJA in February 2024.

The Group still awaits the ruling on the merits of the case, and the outcome of the criminal investigations, and until that time has disclosed this matter as Contingent Liability for $58m (included in the closing contingent liability). No provision has been made against this claim.

In addition to the individual matters disclosed above, in the ordinary course of business, the Group is a defendant or co-defendant in various litigations and claims which are immaterial individually.

Guarantees

Guarantees outstanding as of 31 March 2024 and 31 March 2023 amounting to $12m and $9m, respectively, have been issued by banks and financial institutions on behalf of the Group. These guarantees include certain financial bank guarantees which have been given for sub judice matters and the amounts with respect to these have been disclosed under capital commitments, contingencies and liabilities, as applicable, in compliance with the applicable accounting standards.

(ii) Commitments

Capital commitments

The Group has contractual commitments towards capital expenditure (net of related advances paid) of $317m and $313m as of 31 March 2024 and 31 March 2023, respectively.

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

29. Leases

(a) As a lessee

Right-of-use assets

2023-24	Plant and equipment	Others	Total
Balance at 1 April 2023	**1,397**	**100**	**1,497**
Additions	**794**	**19**	**813**
Depreciation charge for the year	**(255)**	**(15)**	**(270)**
Foreign currency translation impact	**(547)**	**(10)**	**(557)**
Balance at 31 March 2024	**1,389**	**94**	**1,483**

2022-23	Plant and equipment	Others	Total
Balance at 1 April 2022	1,034	75	1,109
Additions	738	45	783
Depreciation charge for the year	(267)	(13)	(280)
Foreign currency translation impact	(108)	(7)	(115)
Balance at 31 March 2023	1,397	100	1,497

Lease liabilities

	As of	
	31 March 2024	31 March 2023
Maturity analysis:		
Less than one year	**561**	572
Later than one year but not later than two years	**398**	545
Later than two years but not later than five years	**959**	912
Later than five years but not later than nine years	**1,037**	468
Later than nine years	**188**	38
Total undiscounted lease liabilities	**3,143**	2,535
Current lease liabilities	**357**	395
Non-current lease liabilities	**1,732**	1,652
Total lease liabilities included in the statement of financial position	**2,089**	2,047

Amounts recognised in profit or loss

	For the year ended	
	31 March 2024	31 March 2023
Interest on lease liabilities	**195**	194

i. Plant and equipment

The Group leases passive infrastructure for providing telecommunications services under composite contracts which include lease of passive infrastructure and land on which the passive infrastructure is built as well as maintenance, security, provision of energy and other services. These leases typically run for a period of 3-15 years. Some leases include an option to renew the lease mainly for an additional period of 3-10 years after the end of the initial contract term based on renegotiation of lease rentals. Since the renewals are subject to re-negotiation in rentals which can be a major determining factor, the Group has only considered the original lease period for lease term determination on account that it is not probable that the Group will extend the leases. A portion of certain lease payments change on account of changes in index. Such payment terms are common in lease agreements in the countries where the Group operates. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

ii. Other leases

The Group's other leases comprise lease of offices, shops, showrooms, guest houses, warehouses, data centres, vehicles and Indefeasible right of use (IRU).

30. Related party disclosure

(a) List of related parties

i. Parent company

Airtel Africa Mauritius Limited

ii. Intermediate parent entities

Network i2i Limited
Bharti Airtel Limited
Bharti Telecom Limited

iii. Ultimate controlling entity

Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the company.

iv. For list of subsidiaries, associate and joint venture refer to note 33

v. Other entities with whom transactions have taken place during the reporting period

a. Fellow subsidiaries

Nxtra Data Limited
Bharti Airtel Services Limited
Bharti International (Singapore) Pte Ltd
Bharti Airtel (UK) Limited
Bharti Airtel (France) SAS
Bharti Airtel Lanka (Private) Limited
Bharti Hexacom Limited

b. Other related parties

Singapore Telecommunications Limited

vi. Key management personnel (KMP)

a. Executive directors

Olusegun Ogunsanya
Jaideep Paul

b. Non-executive directors

Sunil Bharti Mittal
Awuneba Ajumogobia
Douglas Baillie (till October 2023)
John Danilovich
Andrew Green
Akhil Gupta
Shravin Bharti Mittal
Annika Poutiainen
Ravi Rajagopal
Kelly Bayer Rosmarin (till October 2023)
Tsega Gebreyes

c. Others

Ian Basil Ferrao
Michael Foley (till June 2023)
Razvan Ungureanu
Luc Serviant (till May 2023)
Daddy Mukadi Bujitu
Neelesh Singh (till December 2022)
Ramakrishna Lella
Edgard Maidou (till June 2023)
Rogany Ramiah
Stephen Nthenge
Vimal Kumar Ambat (till October 2022)
Ashish Malhotra (till June 2022)
Vinny Puri (till June 2022)
C Surendran (till December 2022)
Olubayo Augustus Adekanmbi (till November 2022)
Anthony Shiner (since June 2022)
Apoorva Mehrotra (since October 2022)
Oliver Fortuin (since June 2023)
Martin Frechette (since June 2023)
Carl Cruz (since May 2023)
Anwar Soussa (since August 2023)
Jacques Barkhuizen (since October 2023)
Sunil Taldar (since October 2023)

In the ordinary course of business, there are certain transactions among the Group entities and all these transactions are on arm's length basis. However, the intra-group transactions and balances, and the income and expenses arising from such transactions, are eliminated on consolidation. The transactions with remaining related parties for the years ended 31 March 2024 and 31 March 2023, respectively, are described below:

The summary of transactions with the above-mentioned parties is as follows:

	For the year ended											
	31 March 2024						31 March 2023					
Relationship	**Parent company**	**Intermediate parent entity**	**Fellow subsidiaries**	**Joint venture**	**Associates**	**Other related parties**	Parent company	Intermediate parent entity	Fellow subsidiaries	Joint venture	Associates	Other related parties
Sale/rendering of services	**–**	**9**	**80**	**–**	**–**	**0**	–	13	77	–	–	–
Purchase/ receiving of services	**–**	**16**	**57**	**–**	**1**	**–**	–	16	59	–	0	–
Rent and other charges	**–**	**1**	**–**	**–**	**–**	**–**	–	1	–	–	–	–
Guarantee and collateral fee paid	**–**	**2**	**–**	**–**	**–**	**–**	–	3	–	–	–	–
Purchase of assets	**–**	**0**	**–**	**–**	**–**	**–**	–	3	–	–	–	–
Dividend paid	**119**	**–**	**–**	**–**	**–**	**–**	109	–	–	–	–	–
Dividend received	**–**	**–**	**–**	**–**	**–**	**–**	–	–	–	–	2	–

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

30. Related party disclosure continued

The outstanding balance of the above-mentioned related parties are as follows:

Relationship	Parent company	Intermediate parent entity	Fellow subsidiaries	Joint venture	Associate
As of 31 March 2024					
Trade payables	**–**	**8**	**40**	**–**	**0**
Trade receivables	**–**	**4**	**70**	**–**	**–**
Corporate guarantee fee payable	**–**	**1**	**–**	**–**	**–**
Guarantees and collaterals taken (including performance guarantees)[1]	**–**	**2,000**	**–**	**–**	**–**
As of 31 March 2023					
Trade payables	–	12	31	–	1
Trade receivables	–	4	46	–	–
Corporate guarantee fee payable	–	1	–	–	–
Guarantees and collaterals taken (including performance guarantees)	–	2,000	–	–	–
Reimbursement asset	–	10	–	–	–

1 This guarantee (200% of the bond amount) relates to the $1bn USD non-convertible bonds (refer to note 21) with original maturity of 2024. The Group had prepaid a portion of these bonds and the outstanding amount as on 31 March 2024 is $550m (31 March 2023: $550m). In accordance with the legal and regulatory requirements pertaining to these bonds, the guarantee amount can be reduced only once these are paid in full and thus the full guarantee amount (based on issued value of guarantee) is disclosed.

Key management compensation (KMP)

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director, whether executive or otherwise. For the Group, these include executive committee members. Fuller disclosures on directors' remuneration are set out in the directors' remuneration report on pages 146 to 165. Remuneration to KMP were as follows:

	For the year ended	
	31 March 2024	31 March 2023
Short-term employee benefits	**11**	10
Performance linked incentive	**4**	4
Share-based payment	**3**	2
Other long-term benefits	**2**	2
Other benefits	**1**	0
	21	18

31. Financial risk management

The Group has liabilities in the form of borrowings, guarantees, trade and other payables as well as receivables in the form of loans, cash, deposits, trade and other receivables. These arise as a part of the business activities and operations of the Group.

The business activities of the Group expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. Further, the Group uses certain derivative financial instruments to mitigate some of these risk exposures. The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of directors and the Audit and Risk Committee. The Group's Finance Committee is primarily responsible for matters, including framing of policies and execution procedures as well as laying down the risk framework mechanisms for the treasury function that will help the company to achieve its strategic financial goals, balancing opportunity, prudence and initiative with risk control measures. This provides assurance to the Group that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group policies and Group risk appetite. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

Details of key risks applicable to the Group are summarised below:

- **Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk-currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk includes loans and borrowings, deposits, investments, and derivative financial instruments.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group may use derivative financial instruments such as foreign exchange forward contracts, options, currency swaps and interest rate swaps and options to manage its exposures to foreign exchange fluctuations and interest rates.

31. Financial risk management continued

• **Foreign exchange risk**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency loans and foreign currency trade payables and receivables and is, therefore, exposed to foreign exchange risk. Further, the Group derives revenue and incurs costs in local currencies where it operates, but it also incurs costs in foreign currencies, mainly from buying equipment and services from manufacturers and technology service providers. That means adverse movements in exchange rates between the currencies in Group's OpCos and the US dollar could have a negative effect on Group's liquidity and financial condition. In some markets, the Group faces instances of limited supply of foreign currency within the local monetary system. This may not only constrain Group's ability to fully repatriate at Group level the strong cash generation by those OpCos but may impacts its ability to make timely foreign currency payments to our international suppliers.

The Group may use risk management products such as foreign exchange options, currency swaps or forward contracts towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate and in order to find structural solutions to mitigate interim foreign currency scarcity, where applicable. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirement and risk management strategy of the Group. The Group manages its foreign currency risk by hedging its foreign currency exposure as per business needs and as approved by the Board in accordance with established risk management policy. The Group also continues to mitigate foreign exchange risk by minimising cash held in local currency in its various OpCos where possible through such risk management products.

Foreign currency sensitivity

The following table demonstrates the sensitivity in the USD account balances to the functional currency of the respective entities as of 31 March 2024 and 31 March 2023, with all other variables held constant. The impact on the Group's (loss)/profit before tax is due to changes in the amount of monetary assets and liabilities due to the impact of change in foreign exchange rates, including foreign currency derivatives. The impact on Group's equity is due to change in the fair value of intra-group monetary items that form part of the net investment in foreign operation:

	Change in currency exchange rate[1]	Effect on Profit before tax[2]	Effect on equity (OCI)[2]
For the year ended 31 March 2024			
US dollars	**+5%**	**111**	**23**
	–5%	**(111)**	**(23)**
For the year ended 31 March 2023			
US dollars	+5%	109	22
	–5%	(109)	(22)

1 '+' represents appreciation and '-' represents depreciation in USD against respective functional currencies of subsidiaries.

2 Represents losses/(gains) arising from conversion/translation.

For the year ended 31 March 2024, with respect to currency devaluation sensitivity going forward, on a 12-month basis assuming that the USD appreciation occurs at the beginning of the period, a further 1% USD appreciation across all currencies in our OpCos would have a negative impact of \$45m–\$47m on revenues, \$21m–\$22m on EBITDA and \$21m–\$23m on foreign exchange losses (excluding derivatives). Our largest exposure is to the Nigerian naira, for which a further 1% USD appreciation would have a negative impact of \$10m–\$11m on revenues, \$5m–\$6m on EBITDA and \$8.5m–\$10.5m on foreign exchange losses (excluding derivatives).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest bearing debt obligations with floating interest rates. Further, the Group engages in financing activities which are dependent on market rates and any changes in the interest rates environment may impact future rates of borrowing. The Group monitors the interest rate movement and manages the interest rate risk based on its risk management policies, which inter-alia may include entering into interest swaps contracts as considered appropriate and whenever necessary. The Group also maintains a portfolio mix of floating and fixed rate debt. As of 31 March 2024 after taking into account the effect of interest rate swaps, approximately 51% of the Group's borrowings are at a fixed rate of interest (31 March 2023: 48%).

The Group's had applied fair value hedge accounting in the past which were discontinued in the year ended 31 March 2020. In accordance with Group's accounting policy, the adjustment to the carrying amount of the hedged item is being amortised to profit or loss over the period to remaining maturity of the hedged item i.e. borrowings. The unamortised portion of such fair value hedge adjustments as on 31 March 2024 is a deferred gain of \$1m (31 March 2023: deferred gain of \$5m).

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

31. Financial risk management continued

Interest rate sensitivity of borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings after considering the impact of interest rate swaps, wherever applicable, based on the outstanding amount of such borrowings as of 31 March 2024 and 31 March 2023.

Interest rate sensitivity	Increase '+' / decrease '-' in basis points	Effect on Profit before tax[1]
For the year ended 31 March 2024		
US dollar – borrowings	**+100**	**5**
	–100	**(5)**
Other currency – borrowings	**+100**	**6**
	–100	**(6)**
For the year ended 31 March 2023		
US dollar – borrowings	+100	7
	–100	(7)
Other currency – borrowings	+100	4
	–100	(4)

1. Represents losses/(gains) arising from increase/decrease of interest rates.

The assumed movement in basis points for interest rate sensitivity analysis is based on the movements in the interest rates historically and prevailing market environment.

- **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily from trade receivables but also from cash, other banks balances, derivative financial instruments and other financial receivables.

Trade receivables

Trade receivables are typically non-interest bearing unsecured and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

As independent credit ratings of customers are not available, the Group reviews the creditworthiness of its customers based on their statement of financial position, past experience, ageing and other factors.

Credit risk related to trade receivables is managed/mitigated by each business unit in accordance with the policies and procedures established by the Group, by setting appropriate payment terms and credit period, and by setting and monitoring internal limits on exposure to individual customers. The credit period provided by the Group to its customers generally ranges from 14-30 days.

The Group uses an age based provision policy to measure the expected credit loss of trade receivables, which comprise a very large numbers of small balances. Refer to note 18 for details on the impairment of trade receivables.

Based on the industry practices and the business environment in which the Group operates, management considers trade receivables are credit impaired if the payments are more than 270 days past due in case of interconnect customers and 90 days past due in other cases since probability of default in such cases is considered to be hundred percent except amount due from related parties. In determining the amount of impairment, management considers the collateral against such receivables and any amount payable to such customers.

The following table details the ageing profile of gross trade receivables based on the Group's provision policy:

		Past due					
	Not past due	Less Than 30 days	31 to 60 days	61 to 90 days	91 to 270 days	Above 270 days	Total
Trade receivables as of 31 March 2024	**47**	**24**	**11**	**10**	**41**	**224**	**357**
Trade receivables as of 31 March 2023	13	25	14	40	51	186	329

The gross carrying amount of the trade receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due. Where the trade receivable has been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit and loss.

31. Financial risk management continued

Other financial instruments and cash deposits

The Group's treasury, in accordance with the policy approved by the Board, maintains its cash and cash equivalents and deposits and enters into derivative financial instruments – with banks, financial and other institutions, having good reputation and past track record which are considered to carry a low credit risk. Similarly, counterparties of the Group's other receivables carry either negligible or very low credit risk. Further, the Group reviews the creditworthiness of the counterparties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an ongoing basis and, if required, takes necessary mitigation measures.

- **Liquidity risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future obligations as and when due, without incurring unacceptable losses. The Group's liquidity risk management objective is to maintain, at all times, adequate levels of liquidity to meet its requirements. The Group closely monitors its liquidity position, expected cash flows and deploys a robust cash management and planning exercise. It maintains adequate sources of financing, including term loans, short-term loans and overdraft from both domestic and international banks at an optimised cost. It has also implemented all necessary steps to enjoy strong access to international capital markets if and when required. For details on borrowings and going concern, refer to notes 21 and 2.2, respectively.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	As of 31 March 2024						
	Carrying amount	**On Demand**	**Less than 6 months**	**6 to 12 months**	**1 to 2 years**	**> 2 years**	**Total**
Interest bearing borrowings[1]	**2,419**	**457**	**939**	**217**	**476**	**656**	**2,745**
Lease liabilities[2]	**2,089**	**–**	**267**	**294**	**398**	**2,184**	**3,143**
Mobile money wallet balance	**722**	**722**	**–**	**–**	**–**	**–**	**722**
Put option liability	**552**	**–**	**–**	**–**	**559**	**–**	**559**
Trade payables	**422**	**–**	**422**	**–**	**–**	**–**	**422**
Other financial liabilities	**539**	**–**	**374**	**20**	**23**	**196**	**613**
Gross settled derivatives							
– Outflow	**172**	**–**	**273**	**115**	**26**	**–**	**414**
– Inflow	**–**	**–**	**(183)**	**(40)**	**(9)**	**–**	**(232)**
	6,915	**1,179**	**2,092**	**606**	**1,473**	**3,036**	**8,386**

	As of 31 March 2023						
	Carrying amount	On Demand	Less than 6 months	6 to 12 months	1 to 2 years	> 2 years	Total
Interest bearing borrowings[1]	2,204	361	536	152	880	496	2,425
Lease liabilities[2]	2,047	–	306	266	545	1,418	2,535
Mobile money wallet balance	582	582	–	–	–	–	582
Put option liability	569	–	–	–	–	584	584
Trade payables	460	–	460	–	–	–	460
Other financial liabilities	654	–	483	34	25	190	732
Gross settled derivatives							
– Outflow	43	–	256	51	219	25	551
– Inflow	–	–	(246)	(45)	(208)	(25)	(524)
	6,559	943	1,795	458	1,461	2,688	7,345

1 Includes contractual interest payment based on interest rate prevailing at the end of the reporting period after adjustment for the impact of interest rate swaps, over the tenor of the borrowings.

2 Maturity analysis is based on undiscounted lease payments.

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

31. Financial risk management continued

Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

				Non-cash movements							
	Statement of cash flow line items	**1 April 2023**	**Cash flow**	**Interest and other finance charges**	**Foreign exchange loss/ (gain)**	**Dividend declared during the year**	**Additions**	**Fair value changes**	**Foreign currency translation reserve**	**Others**	**31 March 2024**
Borrowings[1]	Proceeds/repayment of borrowings	**1,817**	**163**	**–**	**–**	**–**	**–**	**(4)**	**(58)**	**(2)**	**1,916**
Lease liability	Repayment of lease liability	**2,047**	**(498)**	**195**	**–**	**–**	**884**	**–**	**(539)**	**–**	**2,089**
Derivative liabilities net	Outflow on maturity of derivatives (net)	**35**	**7**	**–**	**–**	**–**	**–**	**213**	**(93)**	**5**	**167**
Interest accrued but not due	Interest and other finance charges paid	**26**	**(265)**	**277**	**–**	**–**	**–**	**–**	**8**	**–**	**46**
Dividend payable	Dividend paid to owners of equity and non controlling interests	**13**	**(271)**	**–**	**–**	**277**	**–**	**–**	**(0)**	**–**	**19**
Deferred payment liability[2]	Payment of deferred spectrum liability	**182**	**(42)**	**10**	**–**	**–**	**19**	**–**	**(1)**	**(1)**	**167**
Other financial liability	Purchase of shares under buy-back programme	**–**	**(9)**	**–**	**–**	**–**	**50**	**–**	**–**	**–**	**41**

1 Does not include overdraft.

2 Includes $17m and $25m presented under cash flow from investing activities and financing activities, respectively.

				Non-cash movements							
	Statement of cash flow line items	1 April 2022	Cash flow	Interest and other finance charges	Foreign exchange loss/(gain)	Dividend declared during the year	Additions	Fair value changes	Foreign currency translation reserve	Others	31 March 2023
Borrowings[1]	Proceeds/repayment of borrowings	1,968	(112)	–	–	–	–	(11)	(27)	(1)	1,817
Lease liability	Repayment of lease liability	1,660	(473)	194	–	–	776	–	(110)	–	2,047
Derivative liabilities net	Outflow on maturity of derivatives (net)	3	(49)	–	–	–	–	79	2	–	35
Interest accrued but not due	Interest and other finance charges paid	29	(213)	210	–	–	–	–	0	–	26
Dividend payable	Dividend paid to owners of equity and non-controlling interests	37	(271)	–	–	247	–	–	0	–	13
Deferred payment liability[2]	Payment of deferred spectrum liability	93	(39)	10	–	–	119	–	(3)	0	182

1 Does not include overdraft.

2 Includes $11m and $28m presented under cash flows from investing activities and financing activities, respectively.

31. Financial risk management continued

- **Capital management**

Capital includes equity attributable to the equity holders of the company. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the year ended 31 March 2024 and 31 March 2023. On 1 March 2024 Airtel Africa announced the commencement of its share buy-back reflecting the significant progress made in recent years to reduce leverage and strengthen the company's balance sheet. In light of the cash accretion at the holding company level, the current leverage and the consistent strong operating cash generation, the company is well positioned to undertake this share buy-back to enhance shareholder returns which is consistent with its existing capital allocation policy.

The Group monitors capital using a leverage ratio, which is net debt divided by Underlying EBITDA. Net debt is calculated as total of borrowings and lease liabilities less cash and cash equivalents, term deposits with banks, processing costs related to borrowings and fair value hedge adjustments. Also refer to alternative performance measures on pages 244 to 249.

	For the year ended	
	31 March 2024	31 March 2023
Long-term borrowings	**947**	1,233
Short-term borrowings	**1,426**	945
Lease Liabilities	**2,089**	2,047
Adjusted for:		
Cash and cash equivalents	**(620)**	(586)
Term deposits with bank	**(344)**	(117)
Processing costs related to borrowings	**8**	7
Fair value hedge adjustment (refer to note 31)	**(1)**	(5)
Net debt	**3,505**	3,524
Underlying EBITDA	**2,428**	2,575
Underlying EBITDA	**2,428**	2,575
Leverage ratio	**1.4**	1.4

The Group defines net debt as borrowings, including lease liabilities less cash and cash equivalents, term deposits with banks, processing costs related to borrowings and fair value hedge adjustments. The Group defines leverage ratio as net debt divided by underlying EBITDA for the preceding 12 months.

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

32. Fair value of financial assets and liabilities

The category wise details as to the carrying value, fair value and the level of fair value measurement hierarchy of the Group's financial instruments are as follows:

		Carrying value as of		Fair value as of	
		31 March 2024	31 March 2023	**31 March 2024**	31 March 2023
Financial assets					
FVTPL					
Derivatives					
– Forward and option contracts	Level 2	**10**	4	**10**	4
– Currency swaps and interest rate swaps	Level 2	**0**	9	**0**	9
Other bank balances	Level 2	**0**	4	**0**	4
Investments	Level 2	**0**	0	**0**	0
Amortised cost					
Trade receivables		**184**	145	**184**	145
Cash and cash equivalents		**620**	586	**620**	586
Other bank balances		**353**	127	**353**	127
Balance held under mobile money trust		**737**	616	**737**	616
Other financial assets		**136**	176	**136**	176
		2,040	1,667	**2,040**	1,667
Financial liabilities					
FVTPL					
Derivatives					
– Forward and option contracts	Level 2	**22**	5	**22**	5
– Interest rate swaps	Level 2	**0**	0	**0**	0
– Cross currency swaps	Level 3	**155**	43	**155**	43
– Embedded derivatives	Level 2	**0**	0	**0**	0
Amortised cost					
Long-term borrowings- fixed rate	Level 1	**–**	554	**–**	540
Long-term borrowings- fixed rate	Level 2	**271**	227	**257**	210
Long-term borrowings- floating rate		**676**	452	**676**	452
Short-term borrowings- fixed rate	Level 1	**550**	–	**549**	–
Short-term borrowings		**876**	945	**876**	945
Put option liability	Level 3	**552**	569	**552**	569
Trade payables		**422**	460	**422**	460
Mobile money wallet balance		**722**	582	**722**	582
Other financial liabilities		**586**	680	**586**	680
		4,832	4,517	**4,817**	4,486

32. Fair value of financial assets and liabilities continued

The following methods/assumptions were used to estimate the fair values:

- The carrying value of bank deposits, trade receivables, trade payables, balance held under mobile money trust, mobile money wallet balance, short-term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short-term maturities of these instruments.
- Fair value of quoted financial instruments is based on quoted market price at the reporting date.
- The fair value of non-current financial assets, long-term borrowings and other financial liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.
- The fair values of derivatives are estimated by using pricing models, wherein the inputs to those models are based on readily observable market parameters. The valuation models used by the Group reflect the contractual terms of the derivatives (including the period to maturity), and market-based parameters such as interest rates, foreign exchange rates, volatility, etc. These models do not contain a high level of subjectivity as the valuation techniques used do not require significant judgement and inputs thereto are readily observable. For details pertaining to valuation of cross currency swaps, refer to level 3 details below.
- The fair value of the put option liability to buy-back the stake held by non-controlling interest in AMC BV is measured at the present value of the redemption amount (i.e., expected cash outflows). Since, the liability will be based on fair value of the equity shares of AMC BV (subject to a cap) at the end of 48 months, the expected cash flows are estimated by determining the projected equity valuation of the AMC BV at the end of 48 months expiring in August 2025 and applying a cap thereon.

During the year ended 31 March 2024 and year ended 31 March 2023 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfer into or out of Level 3 fair value measurements.

The following table describes the key inputs used in the valuation (basis discounted cash flow technique) of the Level 2 financial assets/liabilities as of 31 March 2024 and 31 March 2023:

Financial assets/liabilities	Inputs used
– Currency swaps, forward and option contracts, and other bank balances	Forward foreign currency exchange rates, interest rates
– Interest rate swaps	Prevailing/forward interest rates in market, interest rates
– Embedded derivatives	Prevailing interest rates in market, inflation rates
– Other financial assets/fixed rate borrowings/other financial liabilities	Prevailing interest rates in market, future payouts, interest rates

Key inputs for level 3

The fair value of cross currency swap (CCS) has been estimated based on the contractual terms of the CCS and parameters such as interest rates, foreign exchange rates etc. Since the data from any observable markets in respect of interest rates is not available, the interest rates are considered to be significant unobservable inputs to the valuation of this CCS.

Reconciliation of fair value measurements categorised within level 3 of the fair value hierarchy – financial assets/(liabilities) (net)

- **Cross currency swaps (CCS)**

	For the year ended	
	31 March 2024	31 March 2023
Opening balance	**(43)**	(6)
Recognised in finance costs in profit and loss (unrealised)	**(284)**	(65)
Repayment of Interest	**9**	4
Cross currency swap repayment	**23**	22
Foreign currency translation impact recognised in OCI	**140**	2
Closing balance	**(155)**	(43)

- **Put option liability**

	For the year ended	
	31 March 2024	31 March 2023
Opening balance	**(569)**	(579)
Liability de-recognised by crediting transaction with NCI reserve[1]	**24**	16
Recognised in finance costs in profit and loss (unrealised)	**(7)**	(6)
Closing balance	**(552)**	(569)

1 Put option liability was reduced by $24m (March 2023: $16m) for dividend distribution to put option NCI holders. Any dividend paid to put option NCI holders is adjustable against the put option liability based on put option arrangements.

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

33. Companies in the Group, associate and joint venture

Information of Group's directly and indirectly held subsidiaries, associate and joint venture are as follows:

Details of subsidiaries:

					Proportion of ownership interest[1] % As of	
S.no	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	**31 March 2024**	31 March 2023
1	Airtel Mobile Commerce Services Limited	LR 209/11880, 4th Floor, Parkside Towers, Mombasa Road, P.O. Box 962-00100, Nairobi, Kenya	Support services	Ordinary	**77.89**	74.23
2	Airtel (Seychelles) Limited	Airtel House, Josephine Cafrine Road, Perseverance, P.O. Box 1358, Victoria, Mahe, Seychelles	Telecommunication services	Ordinary	**100**	100
3	Airtel Congo RDC S.A.	3ème étage, 130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	Telecommunication services	Ordinary	**98.50**	98.50
4	Airtel Congo S.A.	2ème Etage de L'Immeuble SCI Monte Cristo, Rond-Point de la Gare, Croisement de l'Avenue Orsy et de Boulevard Denis Sassou Nguesso, Centre Ville, B.P. 1038, Brazzaville, Congo	Telecommunication services	Ordinary	**90**	90
5	Airtel Gabon S.A.	Immeuble Libreville, Business Square, Rue Pecqueur, Centre-Ville, B.P. 9259 Libreville, Gabon	Telecommunication services	Ordinary	**100**	100
6	Airtel International LLP[4]	Plot No. 5, Sector 34, Gurugram, Haryana – 122001, India	Support services	Ordinary	**100**	100
7	Airtel Madagascar S.A.	Immeuble S, lot II J 1 AA, Morarano Alarobia – 101 Antananarivo – Madagascar	Telecommunication services	Ordinary	**100**	100
8	Airtel Malawi Public Limited Company	Airtel Complex, Off Convention Drive, City Centre, P.O. Box 57, Lilongwe, Malawi	Telecommunication services	Ordinary	**80**	80
9	Airtel Mobile Commerce (Kenya) Limited	LR 209/11880, 7th Floor, Parkside Towers, Mombasa Road, P.O. Box 73146-00200, Nairobi, Kenya	Mobile commerce services	Ordinary	**77.89**	74.23
10	Airtel Mobile Commerce Rwanda Ltd	Remera, Gasabo, Umujyi wa Kigali, Rwanda	Mobile commerce services	Ordinary	**77.89**	74.23
11	Airtel Mobile Commerce (Seychelles) B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
12	Airtel Mobile Commerce (Seychelles) Limited	Airtel House, Josephine Cafrine Road, Perseverance, P.O. Box 1358, Victoria, Mahe, Seychelles	Mobile commerce services	Ordinary	**77.89**	74.23
13	Airtel Mobile Commerce (Tanzania) Limited	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road and Kawawa Road, Kinondoni District P.o.Box 9623, Dar es Salaam, Tanzania	Mobile commerce services	Ordinary	**77.89**	74.23
14	Airtel Mobile Commerce B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
15	Airtel Mobile Commerce Congo B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
16	Airtel Mobile Commerce Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
17	Airtel Mobile Commerce Kenya B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
18	Airtel Mobile Commerce Limited	Airtel Complex, Off Convention Drive, City Centre, P.O. Box 57, Lilongwe, Malawi	Mobile commerce services	Ordinary	**77.89**	74.23

33. Companies in the Group, associate and joint venture continued

S.no	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest[1] % As of 31 March 2024	31 March 2023
19	Airtel Mobile Commerce Madagascar B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
20	Airtel Mobile Commerce Madagascar S.A.	Immeuble S, lot II J 1 AA, Morarano Alarobia – 101 Antananarivo – Madagascar	Mobile commerce services	Ordinary	**77.89**	74.23
21	Airtel Mobile Commerce Malawi B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
22	Airtel Mobile Commerce Nigeria B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
23	Airtel Mobile Commerce Nigeria Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	Mobile commerce services	Ordinary	**99.96**	99.96
24	Airtel Mobile Commerce Rwanda B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
25	Airtel Mobile Commerce Tchad B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
26	Airtel Mobile Commerce Tchad S.A.	Avenue Charles de Gaulle, Immeuble Pierre Brock, B.P. 5665, N'Djaména, Tchad	Mobile commerce services	Ordinary	**77.89**	74.23
27	Airtel Mobile Commerce Uganda B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
28	Airtel Mobile Commerce Uganda Limited	Airtel Towers, Plot 16-A, Clement Hill Road, Nakasero, P.O. Box 6771, Kampala, Uganda	Mobile commerce services	Ordinary	**77.89**	74.23
29	Airtel Mobile Commerce Zambia B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
30	Airtel Mobile Commerce Zambia Limited	Airtel House, Stand 2375, Addis Ababa Drive, Lusaka, Zambia	Mobile commerce services	Ordinary	**77.89**	74.23
31	Airtel Money RDC S.A.	6ième étage, 130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	Mobile commerce services	Ordinary	**77.89**	74.23
32	Airtel Money Niger S.A.	2054 Route de l'Aéroport, B.P. 11 922, Niamey, Niger	Mobile commerce services	Ordinary	**70.10**	66.81
33	Airtel Money S.A.	Immeuble Odyssée, Boulevard de la Nation, B.P. 23 899, Libreville, Gabon	Mobile commerce services	Ordinary	**77.89**	74.23
34	Airtel Money Tanzania Limited	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road and Kawawa Road, Kinondoni District, P.O. Box 9623, Dar es Salaam,Tanzania	Mobile commerce services	Ordinary	**39.75**	51
35	Airtel Money Transfer Limited	LR 209/11880, 7th Floor, Parkside Towers, Mombasa Road, P.O. Box 73146-00200, Nairobi, Kenya	Mobile commerce services	Ordinary	**78**	100
36	Airtel Networks Kenya Limited	LR 209/11880, 7th Floor, Parkside Towers, Mombasa Road, P.O. Box 73146-00200, Nairobi, Kenya	Telecommunication services	Ordinary	**100**	100
37	Airtel Networks Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	Telecommunication services	Ordinary	**99.96**	99.96

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

33. Companies in the Group, associate and joint venture continued

S.no	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest[1] % As of 31 March 2024	31 March 2023
38	Airtel Networks Zambia plc	Airtel House, Stand 2375, Addis Ababa Drive, Lusaka, Zambia	Telecommunication services	Ordinary	**96.08**	96.36
39	Airtel Rwanda Limited	Remera, Gasabo, Umujyi wa Kigali, Rwanda	Telecommunication services	Ordinary	**100**	100
40	Airtel Tanzania Public Limited Company	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road and Kawawa Road, Kinondoni District, P.O. Box 9623, Dar es Salaam, Tanzania	Telecommunication services	Ordinary	**51**	51
41	Airtel Tchad S.A.	Rue du Commandant Galyam Négal, Immeuble du Cinéma Etoile, B.P. 5665, N'Djaména, Tchad	Telecommunication services	Ordinary	**100**	100
42	Airtel Uganda Limited	Airtel Towers, Plot 16 –A, Clement Hill Road, Nakasero, P.O. Box 6771, Kampala, Uganda	Telecommunication services	Ordinary	**89**	100
43	Bharti Airtel Africa B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
44	Bharti Airtel Chad Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
45	Bharti Airtel Congo Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
46	Bharti Airtel Developers Forum Limited	Stand No. 2375, Corner of Great East/ Addis Ababa Road, Lusaka, Zambia	Investment company	Ordinary	**96.08**	96.36
47	Bharti Airtel Gabon Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
48	Bharti Airtel International (Netherlands) B.V.[4]	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
49	Bharti Airtel Kenya B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
50	Bharti Airtel Kenya Holdings B.V.[5]	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**–**	100
51	Bharti Airtel Madagascar Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
52	Bharti Airtel Malawi Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
53	Bharti Airtel Mali Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
54	Bharti Airtel Niger Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
55	Bharti Airtel Nigeria B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
56	Bharti Airtel Nigeria Holdings II B.V.[5]	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**–**	100
57	Bharti Airtel RDC Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
58	Bharti Airtel Rwanda Holdings Limited	C/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Republic of Mauritius	Investment company	Ordinary	**100**	100
59	Bharti Airtel Services B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
60	Bharti Airtel Tanzania B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100

33. Companies in the Group, associate and joint venture continued

S.no	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest[1] % As of 31 March 2024	31 March 2023
61	Bharti Airtel Uganda Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
62	Bharti Airtel Zambia Holdings B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**100**	100
63	Celtel (Mauritius) Holdings Limited	C/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Republic of Mauritius	Investment company	Ordinary	**100**	100
64	Celtel Niger S.A.	2054 Route de l'Aéroport, B.P. 11 922, Niamey, Niger	Telecommunication services	Ordinary	**90**	90
65	Channel Sea Management Company (Mauritius) Limited[3]	C/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 Cybercity, Ebene, 72201 Republic of Mauritius	Investment company	Ordinary	**100**	100
66	Congo RDC Towers S.A.	6ème étage, 130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	Infrastructure sharing services	Ordinary	**100**	100
67	Gabon Towers S.A.[2]	124 Avenue Bouët, B.P. 9259, Libreville, Gabon	Infrastructure sharing services	Ordinary	**100**	100
68	Indian Ocean Telecom Limited	28 Esplanade, St. Helier, Jersey JE2 3QA, Channel Islands	Investment company	Ordinary	**100**	100
69	Mobile Commerce Congo S.A.	3ème Etage de L'Immeuble SCI Monte Cristo, Rond-Point de la Gare, Croisement de l'Avenue Orsy et de Boulevard Denis Sassou Nguesso, Centre – Ville, B.P. 1038, Brazzaville, Congo	Mobile commerce services	Ordinary	**70.10**	74.23
70	Montana International[3]	C/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Republic of Mauritius	Investment company	Ordinary	**100**	100
71	Partnership Investments Sarlu	130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	Investment company	Ordinary	**100**	100
72	Société Malgache de Téléphone Cellulaire S.A.(5)	C/o Ocorian Corporate Services (Mauritius) Limited, 6th Floor, Tower A, 1 Cybercity, Ebene, 72201, Republic of Mauritius	Investment company	Ordinary	**–**	100
73	Airtel Africa Services (UK) Limited[4]	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Support services	Ordinary	**100**	100
74	Airtel Digital Services Holdings B.V.[5]	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**–**	100
75	Airtel Mobile Commerce DRC B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
76	Airtel Mobile Commerce Gabon B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
77	Airtel Mobile Commerce Niger B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
78	Airtel Money Kenya Limited	LR 209/11880, 7th Floor, Parkside Towers, Mombasa Road, P.O. Box 73146-00200, Nairobi, Kenya	Mobile commerce services	Ordinary	**77.89**	74.23
79	Smartcash Payment Service Bank Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	Mobile commerce services	Ordinary	**99.96**	99.96
80	Airtel Africa Telesonic Holdings Limited[4]	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

33. Companies in the Group, associate and joint venture continued

S.no	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest[1] % As of 31 March 2024	31 March 2023
81	Airtel Money Trust Fund	Airtel Towers, Plot 16-A, Clement Hill Road, Nakasero, P.O. Box 6771, Kampala, Uganda	Mobile commerce services	Ordinary	**77.89**	74.23
82	Airtel Africa Telesonic Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Telecommunication services	Ordinary	**100**	100
83	The Registered Trustees of Airtel Money Trust Fund	Airtel House, Block 41, Corner of Ali Hassan Mwinyi Road and Kawawa Road, Kinondoni District, P.O. Box 9623, Dar es Salaam, Tanzania	Mobile commerce services	Ordinary	**39.75**	51
84	Airtel Mobile Commerce Tanzania B.V.	Overschiestraat 65, 1062 XD Amsterdam, The Netherlands	Investment company	Ordinary	**77.89**	74.23
85	Airtel Congo Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
86	Airtel DRC Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
87	Airtel Gabon Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
88	Airtel Kenya Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
89	Airtel Madagascar Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
90	Airtel (M) Telesonic Holdings (UK) Limited (Formerly known as Airtel Malawi Telesonic Holdings (UK) Limited)	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
91	Airtel Niger Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
92	Airtel Nigeria Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
93	Airtel Rwanda Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
94	Airtel Seychelles Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
95	Airtel Tanzania Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
96	Airtel Uganda Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
97	Airtel Zambia Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100

33. Companies in the Group, associate and joint venture continued

S.no	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest[1] % As of 31 March 2024	Proportion of ownership interest[1] % As of 31 March 2023
98	Airtel Tchad Telesonic Holdings (UK) Limited	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
99	Airtel Kenya Telesonic Limited	LR 209/11880, 7th Floor, Parkside Towers, Mombasa Road, P.O. Box 73146-00200, Nairobi, Kenya	Telecommunication services	Ordinary	**100**	100
100	Airtel (M) Telesonic Limited	Airtel Complex, Off Convention Drive, City Centre, P.O. Box 57, Lilongwe, Malawi	Telecommunication services	Ordinary	**100**	100
101	Airtel Nigeria Telesonic Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	Telecommunication services	Ordinary	**100**	100
102	Airtel Rwanda Telesonic Limited	Remera, Gasabo, Umujyi wa Kigali, Rwanda	Telecommunication services	Ordinary	**100**	100
103	Airtel (Seychelles) Telesonic Limited	Airtel House, Josephine Cafrine Road, Perseverance, P.O. Box 1358, Victoria, Mahe, Seychelles	Telecommunication services	Ordinary	**100**	100
104	Airtel Telesonic Uganda Limited	Airtel Towers, Plot 16-A, Clement Hill Road, Nakasero, P.O. Box 6771, Kampala, Uganda	Telecommunication services	Ordinary	**100**	100
105	Airtel Zambia Telesonic Limited	P.O Box 320001, Showgrounds, Lusaka, Lusaka Province, Zambia	Telecommunication services	Ordinary	**100**	100
106	Nxtra Africa Data Holdings Limited[4] (Formerly known as Airtel Africa Data Center Holdings Limited)	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
107	Nxtra Nigeria Data Holdings (UK) Limited (Formerly known as Airtel Nigeria Data Center Holdings (UK) Limited)	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
108	Nxtra Kenya Data Holdings (UK) Limited (Formerly known as Airtel Kenya Data Center Holdings (UK) Limited)	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
109	Nxtra DRC Data Holdings (UK) Limited (Formerly known as Airtel DRC Data Center Holdings (UK) Limited)	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
110	Nxtra Gabon Data Holdings (UK) Limited (Formerly known as Airtel Gabon Data Center Holdings (UK) Limited)	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100

Notes to consolidated financial statements continued

(All amounts are in US$ millions unless stated otherwise)

33. Companies in the Group, associate and joint venture continued

S.no	Name of subsidiary	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest[1] % As of 31 March 2024	31 March 2023
111	Nxtra Congo Data Holdings (UK) Limited (Formerly known as Airtel Congo Data Center Holdings (UK) Limited)	First Floor, 53/54 Grosvenor Street, London W1K 3HU, United Kingdom	Investment company	Ordinary	**100**	100
112	Airtel Congo RDC Telesonic S.A.U.	3ème étage, 130 b, Avenue Kwango, Gombe, B.P. 1201, Kinshasa 1, République Démocratique du Congo	Telecommunication services	Ordinary	**100**	100
113	Nxtra Africa Data (Nigeria) Limited	Plot L2, 401 Close, Banana Island, Ikoyi, Lagos, Nigeria	Telecommunication services	Ordinary	**100**	100
114	Airtel Gabon Telesonic S.A.	Immeuble Libreville, Business Square, Rue Pecqueur, Centre-Ville, B.P. 9259, Libreville, Gabon	Telecommunication services	Ordinary	**100**	–
115	Nxtra Africa Data (Nigeria) FZE	Plot AV-A-34-35 Eko Atlantic City, Lagos, Nigeria	Telecommunication services	Ordinary	**100**	–
116	Nxtra Africa Data (Kenya) Limited	Parkside Towers, Mombasa Road, P.O. Box 73146, City Square, Nairobi, Kenya	Telecommunication services	Ordinary	**100**	–

1 Companies proportion of voting power held is same as proportion of ownership interest held.

2 Under dissolution as of 31 March 2023.

3 Under removal from the register of RoC.

4 Direct subsidiary to the company.

5. Dissolved as of 31 March 2024.

Details of associate

S.no	Name of associate	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest[1] % as of 31 March 2024	31 March 2023
1	Seychelles Cable Systems Company Limited	Caravelle House, 3rd Floor, Victoria, Mahe, Seychelles	Submarine cable system	Ordinary	**26**	26

1 Companies proportion of voting power held is same as proportion of ownership interest held.

Details of joint venture (JV)

S.no	Name of joint venture	Principal place of business and registered office address	Principal activities	Holding	Proportion of ownership interest[1] % as of 31 March 2024	31 March 2023
1	Mawezi RDC S.A.	Avenue des Huileries no 7, Commune of Lingwala,Ville de Kinshasa, République Démocratique du Congo	The construction and operation of a landing station	Ordinary	**49.25**	49.25

1 Companies proportion of voting power held is same as proportion of ownership interest held.

34. Events after the balance sheet date

No material subsequent events or transactions have occurred since the date of statement of financial position except as disclosed below:

- The Board recommended a final dividend of 3.57 cents per share on 8 May 2024.

Company statement of financial position

(All amounts are in US$ millions unless stated otherwise)

	Note	As of 31 March 2024	31 March 2023
Assets			
Non-current assets			
Property, plant and equipment		**0**	0
Capital work-in-progress		**–**	0
Right of use assets		**0**	0
Investment in subsidiary undertakings	4	**3,533**	3,533
Financial assets			
– Loan receivables	5	**126**	311
– Others		**0**	0
Other non-current assets		**0**	0
		3,659	3,844
Current assets			
Financial assets			
– Cash and cash equivalents	6	**173**	134
– Other bank balances	6	**267**	101
– Others		**16**	30
Other current assets		**1**	2
		457	267
Total assets		**4,116**	4,111
Liabilities			
Current liabilities			
Financial liabilities			
– Lease liabilities		**0**	0
– Trade and other payables	7	**48**	5
Current tax liabilities		**3**	–
		51	5
Net current assets		**406**	262
Non-current liabilities			
Financial liabilities			
– Lease liabilities		**–**	0
– Others		**0**	0
		0	0
Total liabilities		**51**	5
Net assets		**4,065**	4,106
Equity			
– Share capital	8	**1,875**	3,420
– Reserves and surplus[1]		**2,190**	686
Total equity		**4,065**	4,106

1 The profit for the financial year dealt with in the financial statements of the company is $219m (March 2023: profit of $229m).

The company only financial statements of Airtel Africa plc (company registration number: 11462215) were approved by the Board of directors and authorised for issue on 8 May 2024 and were signed on its behalf by:

For and on behalf of the Board of Airtel Africa plc

Olusegun Ogunsanya
Chief executive officer

8 May 2024

Company statements of changes in equity

(All amounts are in US$ millions unless stated otherwise)

	Share capital		Reserves and surplus					
	No of shares[2]	Amount	Retained earnings	Shared-based payment reserve	Capital redemption reserve	Others[4]	Total	Total equity
As of 1 April 2022	6,839,896,081	3,420	657	1	–	0	658	4,078
Profit for the year	–	–	229	–	–	–	229	229
Total comprehensive income	–	–	229	–	–	–	229	229
Employee share-based payment reserve	–	–	(2)	1	–	–	(1)	(1)
Purchase of own shares (net)	–	–	–	–	–	(5)	(5)	(5)
Dividend to owners to the company[1]	–	–	(195)	–	–	–	(195)	(195)
As of 31 March 2023	6,839,896,081	3,420	689	2	–	(5)	686	4,106
Profit for the year	**–**	**–**	**219**	**–**	**–**	**–**	**219**	**219**
Total comprehensive income	**–**	**–**	**219**	**–**	**–**	**–**	**219**	**219**
Employee share-based payment reserve	**–**	**–**	**(1)**	**2**	**–**	**–**	**1**	**1**
Purchase of own shares (net)	**–**	**–**	**–**	**–**	**–**	**1**	**1**	**1**
Ordinary shares buy-back programme[2]	**(7,389,855)**	**(4)**	**(9)**	**–**	**4**	**(41)**	**(46)**	**(50)**
Cancellation of deferred shares[3]	**(3,081,744,577)**	**(1,541)**	**1,541**	**–**	**–**	**–**	**1,541**	**–**
Dividend to owners to the company[1]	**–**	**–**	**(212)**	**–**	**–**	**–**	**(212)**	**(212)**
As of 31 March 2024	**3,750,761,649**	**1,875**	**2,227**	**4**	**4**	**(45)**	**2,190**	**4,065**

1 Refer to note 5(a) of consolidated financial statements.

2 Refer to note 5(f) of consolidated financial statements.

3 Includes ordinary and deferred shares till 31 March 2023. Deferred shares have been cancelled during the year ended 31 March 2024, therefore, as on 31 March 2024, it includes only ordinary shares. Refer to note 25 and note 5(d) of the consolidated financial statements for further details.

4 Includes share stabilisation reserve, treasury shares and other reserves.

Notes to company only financial statements

(All amounts are in US$ millions unless stated otherwise)

1. Summary of significant accounting policies

Basis of preparation

The company only financial statements are presented as required by the Companies Act 2006. The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, the company has prepared financial statements as per FRS 101 'Reduced Disclosure Framework.

Airtel Africa plc is the parent of the smallest group for which consolidated financial statements are prepared and of which the company is a member. The largest group to consolidate the results of the company is Bharti Airtel Limited, which is registered in India. The Bharti Airtel Limited Group financial statements are publically available and can be obtained at www.airtel.in.

All the amounts included in the company only financial statements are reported in United States dollars (the functional currency of the company), with all values rounded to the nearest millions (USD millions) except when otherwise indicated. Further, amounts which are less than half a million are appearing as '0'.

As permitted by Section 408(3) of the Companies Act 2006, no profit and loss account of the company is presented.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available in relation to:

- The requirements of IFRS 7 Financial Instruments: Disclosures
- The requirements of IAS 7 Statement of Cash Flows
- The statement of compliance with Adopted IFRSs
- The effects of new but not yet effective IFRSs
- The requirements in IAS 24 "Related party disclosure" to disclose related party transactions entered into between two or more members of a Group.
- Disclosures in respect of capital management; and
- Paragraphs 45(b) and 46 to 52 of IFRS 2, "Shared-based payment" (details of the number and weighted-average exercise prices of share options).

Where required, equivalent disclosures are given in the consolidated financial statements. The company financial statements have been prepared on a going concern and historical cost basis. The principal accounting policies adopted are the same as those set out in note 2 of the consolidated financial statements except the following additional policies which are relevant to the company only financial statements:

- Investment in subsidiary undertakings are accounted for at cost.
- Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably).

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no critical accounting judgments and estimates that would have a significant effect on the amount recognised in the company financial statements.

3. Employee expenses

The average monthly number of employees during the year was two (March 2023: six).

	For the year ended	
	31 March 2024	31 March 2023
Salaries	**1**	1
Bonuses	**0**	1
Others	**0**	0
	1	2

4. Investment in subsidiary undertakings

	As of	
	31 March 2024	31 March 2023
Cost		
Opening balance	**3,533**	3,533
Additions	**0**	–
Carrying cost at 31 March	**3,533**	3,533
Bharti Airtel International (Netherlands) B.V.	**3,533**	3,533
Airtel International LLP	**0**	0
Airtel Africa services (UK) Limited	**0**	0
Airtel Africa Telesonic Holdings Limited	**0**	0
Nxtra Africa Data Holdings Limited	**0**	–

For details of subsidiary undertakings, refer to note 33 of consolidated financial statements.

Notes to company financial statements continued

(All amounts are in US$ millions unless stated otherwise)

5. Loan receivables

	As of	
	31 March 2024	31 March 2023
Opening balance	**311**	413
Additions	**177**	421
Repayment	**(362)**	(523)
Balance at 31 March	**126**	311
Bharti Airtel International (Netherlands) B.V.[1]	**4**	240
Airtel Africa services (UK) Limited[2]	**122**	71
Airtel Africa Telesonic Holdings Limited[3]	**0**	0

1 The loan is unsecured, bears interest at the rate of three months SOFR+ 2.25% per annum with a maturity date of 25 March 2027. The credit facility is denominated in US$.

2 The loan is unsecured, bears interest at the rate of three months SOFR+ 2% per annum with a maturity date of 31 December 2026. The credit facility is denominated in US$.

3 The loan is unsecured, bears interest at the rate of three months SOFR+ 2% per annum with a maturity date of 31 December 2026. The credit facility is denominated in US$.

6. Cash and bank balances

Cash and cash equivalents

	As of	
	31 March 2024	31 March 2023
Cash at bank in current accounts	**4**	36
Bank deposits with original maturity of three months or less	**169**	98
	173	134

Other bank balances

	As of	
	31 March 2024	31 March 2023
Term deposits with banks with original maturity of more than three months but less than twelve months	**267**	101
	267	101

7. Trade and other payables

Trade payables

	As of	
	31 March 2024	31 March 2023
Legal and professional expenses payable	**2**	1
Employees bonuses payable	**1**	0
Dividend payable	**0**	0
	3	1

Other payables

	As of	
	31 March 2024	31 March 2023
Ordinary shares buy-back programme[1]	**41**	–
Administrative and other payable	**4**	4
	45	4
	48	5

1 This pertains to amount payable of $41m (March 2023: Nil) in respect of ordinary shares buy-back programme.

8. Share capital

Refer to note 25 of consolidated financial statements.

9. Related party disclosure

Refer to note 30 of consolidated financial statements.

10. Guarantees

Guarantees outstanding as of 31 March 2024 and 31 March 2023 amounting to $145m and $163m, respectively, have been issued for external loans taken by the Group's subsidiaries.

11. Events after the balance sheet date

There are no subsequent events other than disclosed in note 34 to the consolidated financial statements.

Alternative performance measures (APMs)

Introduction

In the reporting of financial information, the directors have adopted various APMs. These measures are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies APMs, including those in the Group's industry.

APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measurements.

Purpose

The directors believe that these APMs assist in providing additional useful information on the underlying trends, performance and position of the Group.

APMs are also used to enhance the comparability of information between reporting periods and geographical units (such as like-for-like sales), by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid users in understanding the Group's performance. Consequently, APMs are used by the directors and management for performance analysis, planning, reporting and incentive-setting purposes.

The directors believe the following metrics to be the APMs used by the Group to help evaluate growth trends, establish budgets and assess operational performance and efficiencies. These measures provide an enhanced understanding of the Group's results and related trends, therefore increasing transparency and clarity into the core results of the business.

The following metrics are useful in evaluating the Group's operating performance:

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose
EBITDA and margin	Operating profit	• Depreciation and amortisation	The Group defines EBITDA as operating profit/(loss) for the period before depreciation and amortisation. The Group defines EBITDA margin as EBITDA divided by revenue. EBITDA and margin are measures used by the directors to assess the trading performance of the business and are therefore the measure of segment profit that the Group presents under IFRS. EBITDA and margin are also presented on a consolidated basis because the directors believe it is important to consider profitability on a basis consistent with that of the Group's operating segments. When presented on a consolidated basis, EBITDA and margin are APMs. Depreciation and amortisation is a non-cash item which fluctuates depending on the timing of capital investment and useful economic life. Directors believe that a measure which removes this volatility improves comparability of the Group's results period on period and hence is adjusted to arrive at EBITDA and margin.
Underlying profit/(loss) before tax	Profit/(loss) before tax	• Exceptional items (refer to note on exceptional items on page 248)	The Group defines underlying profit/(loss) before tax as profit/(loss) before tax adjusted for exceptional items. The directors view underlying profit/(loss) before tax to be a meaningful measure to analyse the Group's profitability.
Effective tax rate	Reported tax rate	• Exceptional items (refer to note on exceptional items on page 248) • Foreign exchange rate movements • One-off tax impact of prior period, tax litigation settlement and impact of tax on permanent differences	The Group defines effective tax rate as reported tax rate (reported tax charge divided by reported profit before tax) adjusted for exceptional items, foreign exchange rate movements and one-off tax items of prior period adjustment, tax settlements and impact of permanent differences on tax. This provides an indication of the current on-going tax rate across the Group. Foreign exchange rate movements are specific items that are non-tax deductible in a few of the entities which are loss making and/or where DTA is not yet triggered and hence are considered to hinder comparison of the Group's effective tax rate on a period-to-period basis and therefore excluded to arrive at effective tax rate. One-off tax impact on account of prior period adjustment, any tax litigation settlement and tax impact on permanent differences are additional specific items that because of their size and frequency in the results, are considered to hinder comparison of the Group's effective tax rate on a period-to-period basis.

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose
Underlying profit/(loss) after tax	Profit/(loss) for the period	• Exceptional items (refer to note on exceptional items on page 248)	The Group defines underlying profit/(loss) after tax as profit/(loss) for the period adjusted for exceptional items. The directors view underlying profit/(loss) after tax to be a meaningful measure to analyse the Group's profitability.
Earnings per share before exceptional items	EPS	• Exceptional items (refer to note on exceptional items on page 248)	The Group defines earnings per share before exceptional items as profit/(loss) for the period before exceptional items attributable to owners of the company divided by the weighted average number of ordinary shares in issue during the financial period. This measure reflects the earnings per share before exceptional items for each share unit of the company.
Earnings per share before exceptional items and derivative and foreign exchange losses*	EPS	• Exceptional items (refer to note on exceptional items on page 248) • Derivative and foreign exchange losses	The Group defines earnings per share before exceptional items and derivative and foreign exchange losses as profit/(loss) for the period before exceptional items and derivative and foreign exchange losses (net of tax) attributable to owners of the company divided by the weighted average number of ordinary shares in issue during the financial period. This measure reflects the earnings per share before exceptional items and derivative and foreign exchange losses for each share unit of the company. Derivative and foreign exchange losses are due to revaluation of US dollar balance sheet liabilities and derivatives as a result of currency devaluation.
Operating free cash flow	Cash generated from operating activities	• Income tax paid • Changes in working capital • Other non-cash items • Non-operating income • Exceptional items (refer to note on exceptional items on page 248) • Capital expenditures	The Group defines operating free cash flow as net cash generated from operating activities before income tax paid, changes in working capital, other non-cash items, non-operating income, exceptional items, and after capital expenditures. The Group views operating free cash flow as a key liquidity measure, as it indicates the cash available to pay dividends, repay debt or make further investments in the Group.
Net debt and leverage ratio	Borrowings	• Lease liabilities • Cash and cash equivalent • Term deposits with banks • Deposits given against borrowings/non-derivative financial instruments • Fair value hedges	The Group defines net debt as borrowings, including lease liabilities less cash and cash equivalents, term deposits with banks, deposits given against borrowings/non-derivative financial instruments, processing costs related to borrowings and fair value hedge adjustments. The Group defines leverage ratio as net debt divided by EBITDA for the preceding 12 months. The directors view net debt and the leverage ratio to be meaningful measures to monitor the Group's ability to cover its debt through its earnings.
Return on capital employed	No direct equivalent	• Exceptional items (refer to note on exceptional items on page 248) to arrive at EBIT	The Group defines return on capital employed ('ROCE') as EBIT divided by average capital employed. The directors view ROCE as a financial ratio that measures the Group's profitability and the efficiency with which its capital is being utilised. The Group defines EBIT as operating profit/(loss) for the period. Capital employed is defined as sum of equity attributable to owners of the company (grossed up for put option provided to minority shareholders to provide them liquidity as part of the sale agreements executed with them during year ended 31 March 2022), non-controlling interests and net debt. Average capital employed is average of capital employed at the closing and beginning of the relevant period. For quarterly computations, ROCE is calculated by dividing EBIT for the preceding 12 months by the average capital employed (being the average of the capital employed averages for the preceding four quarters).

* New APM added during the year ended 31 March 2024.

Some of the Group's IFRS measures and APMs are translated at constant currency exchange rates to measure the organic performance of the Group. In determining the percentage change in constant currency terms, both current and previous financial reporting period's results have been converted using exchange rates prevailing as on 31 March 2023 for all countries, except Nigeria. For Nigeria the constant currency exchange rate used is 752.2 NGN/USD which is prevailing rate as on 30 June 2023.Reported currency percentage change is derived based on the average actual periodic exchange rates for that financial period. Variances between constant currency and reported currency percentages are due to exchange rate movements between the previous financial reporting period and the current period. The constant currency numbers only reflect the retranslation of reported numbers into exchange rates as of 31 March 2023 (Nigeria as of 30 June 2023) and are not intended to represent the wider impact that currency changes has on the business.

Reconciliation between GAAP and Alternative Performance Measures

Table A: EBITDA and margin

Description	Unit of measure	Year ended March 2024	Year ended March 2023
Operating profit	$m	**1,640**	1,757
Add:			
Depreciation and amortisation	$m	**788**	818
EBITDA	$m	**2,428**	2,575
Revenue	$m	**4,979**	5,255
EBITDA margin (%)	%	**48.8%**	49.0%

Table B: Underlying profit/(loss) before tax

Description	Unit of measure	Year ended March 2024	Year ended March 2023
(Loss)/Profit before tax	$m	**(63)**	1,034
Finance cost – exceptional items	$m	**807**	–
Underlying profit before tax	$m	**744**	1,034

Table C: Effective tax rate

		Year ended					
		March 2024			March 2023		
Description	Unit of measure	**Profit before taxation**	**Income tax expense**	**Tax rate %**	Profit before taxation	Income tax expense	Tax rate %
Reported effective tax rate (after EI)	$m	**(63)**	**26**	**(41.1%)**	1,034	284	27.4%
Exceptional items (provided below)	$m	**807**	**258**		–	161	
Reported effective tax rate (before EI)	$m	**744**	**284**	**38.3%**	1,034	445	43.0%
Adjusted for:							
Foreign exchange rate movement for loss making entity and/or non-DTA operating companies & holding companies	$m	**57**	**–**		106	–	
One-off adjustment and tax on permanent differences	$m	**–**	**24**		5	(1)	
Effective tax rate	$m	**801**	**308**	**38.4%**	1,145	444	38.8%
Exceptional items							
1. Deferred tax asset recognition	$m	**–**	**–**				
2. Derivative and foreign exchange losses	$m	**807**	**258**		–	–	
Total	$m	**807**	**258**		–	161	

a) $258m exceptional tax gain in full year period ended 31 March 2024 is tax gain corresponding to $807m derivative and foreign exchange losses following Nigerian naira and Malawian kwacha devaluation.

b) $161m exceptional tax gain in full year ended 31 March 2023 is on account of deferred tax credit in Kenya, the Democratic Republic of Congo and Tanzania.

Table D: Underlying profit/(loss) after tax

Description	Unit of measure	Year ended March 2024	Year ended March 2023
(Loss)/profit after tax	$m	**(89)**	750
Finance cost – exceptional items	$m	**807**	–
Tax exceptional items	$m	**(258)**	(161)
Underlying profit after tax	$m	**460**	589

Table E: Earnings per share before exceptional items

Description	Unit of measure	Year ended March 2024	Year ended March 2023
(Loss)/profit for the period attributable to owners of the company	$m	**(165)**	663
Finance cost – exceptional items	$m	**807**	–
Tax exceptional items	$m	**(258)**	(161)
Non-controlling interest exceptional items	$m	**(4)**	10
Profit for the period attributable to owners of the company – before exceptional items	$m	**380**	512
Weighted average number of ordinary shares in issue during the financial period.	Million	**3,751**	3,752
Earnings per share before exceptional items	Cents	**10.1**	13.6

Table F: Earnings per share before exceptional items and derivative and foreign exchange losses

Description	Unit of measure	Year ended March 2024	Year ended March 2023
(Loss)/profit for the period attributable to owners of the company	$m	**(165)**	663
Finance cost – exceptional items	$m	**807**	–
Tax exceptional items	$m	**(258)**	(161)
Non-controlling interest exceptional items	$m	**(4)**	10
Profit for the period attributable to owners of the company – before exceptional items	$m	**380**	512
Derivative and foreign exchange losses (excluding exceptional items)	$m	**452**	338
Tax on derivative and foreign exchange losses (excluding exceptional items)	$m	**(130)**	(77)
Non-controlling interest on derivative and foreign exchange loss-es (excluding exceptional items) – net of tax	$m	**(17)**	(4)
Profit for the period attributable to owners of the company- before exceptional items and derivative and foreign exchange losses	$m	**685**	769
Weighted average number of ordinary shares in issue during the financial period	million	**3,751**	3,752
Earnings per share before exceptional items and derivative and foreign exchange losses	cents	**18.3**	20.5

Table G: Operating free cash flow

Description	Unit of measure	Year ended March 2024	Year ended March 2023
Net cash generated from operating activities	$m	**2,259**	2,229
Add: income tax paid	$m	**344**	397
Net cash generation from operation before tax	$m	**2,603**	2,605
Less: changes in working capital			
Increase in trade receivables	$m	**79**	45
Increase in inventories	$m	**16**	13
Increase in trade payables	$m	**(56)**	(9)
Increase in mobile money wallet balance	$m	**(207)**	(120)
(Increase)/decrease in provisions	$m	**(3)**	32
Increase in deferred revenue	$m	**(21)**	(37)
Increase in other financial and non-financial liabilities	$m	**(76)**	(113)
Increase in other financial and non-financial assets	$m	**93**	140
Operating cash flow before changes in working capital	$m	**2,428**	2,577
Other non-cash adjustments	$m	**–**	(2)
EBITDA	$m	**2,428**	2,575
Less: capital expenditure	$m	**(737)**	(748)
Operating free cash flow	$m	**1,691**	1,827

Reconciliation between GAAP and alternative performance measures continued

Table H: Net debt and leverage

Description	Unit of measure	As at March 2024	As at March 2023
Long term borrowing, net of current portion	$m	**947**	1,233
Short-term borrowings and current portion of long-term borrowing	$m	**1,426**	945
Add: processing costs related to borrowings	$m	**8**	7
Less: fair value hedge adjustment	$m	**(1)**	(5)
Less: cash and cash equivalents	$m	**(620)**	(586)
Less: term deposits with banks	$m	**(344)**	(117)
Add: lease liabilities	$m	**2,089**	2,047
Net debt	$m	**3,505**	3,524
EBITDA (LTM)	$m	**2,428**	2,575
Leverage (LTM)	times	**1.4x**	1.4x

Table I: Return on capital employed

		Year ended	
Description	Unit of measure	March 2024	March 2023
Operating profit (LTM)	$m	**1,640**	1,757
Equity attributable to owners of the company	$m	**2,160**	3,635
Add: put option given to minority shareholders[1]	$m	**552**	569
Gross equity attributable to owners of the company[1]	$m	**2,712**	4,204
Non-controlling interests (NCI)	$m	**140**	173
Net debt (refer to table H)	$m	**3,505**	3,524
Capital employed	$m	**6,357**	7,901
Average capital employed[1]	$m	**7,130**	7,536
Return on capital employed	%	**23.0%**	23.3%

1 Average capital employed is calculated as average of capital employed at closing and opening of relevant period.

Note on exceptional items:

"Exceptional items refer to items of income or expense within the consolidated statement of comprehensive income, which are of such size, nature or incidence that their exclusion is considered necessary to explain the performance of the Group and improve the comparability between periods. Reversals of previous exceptional items are also considered as exceptional items. When applicable, these items include amongst others, currency devaluation of local currencies against the US Dollar, network modernisation, share issue expenses, loan prepayment costs, the settlement of legal and regulatory cases, restructuring costs, impairments, gain on sale of tower assets and the initial recognition of deferred tax assets etc.

The Group has US Dollar liabilities in subsidiaries in which the US Dollar is not the functional currency. Changes in the US Dollar exchange rate against the relevant functional currency leads to foreign exchange gains or losses recorded in the statement of comprehensive income. With respect to the classification of whether these gains or losses, as a result of the devaluation of local currencies against the US Dollar, as an exceptional item, the Group presents the impact as an exceptional item only if a particular currency has devalued (or appreciated) due to a structural change in the local market (for example as a result of changes in government policy) or the devaluation in a month is more than a threshold percentage. The devaluation is also only reported as exceptional if the resultant impact on the Group's profit before tax is higher than a monetary threshold. Reversals of foreign exchange losses as a result of the above are also reported as exceptional. The Group continues to review its exceptional items policy to align it to changes in the macro-economic environment. For the current year, this did not have a change on the amounts reported as exceptional items."

Forward-looking statements

This document contains certain forward-looking statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the countries and markets in which the Group operates.

These statements are often, but not always, made through the use of words or phrases such as “believe,” “anticipate,” “could,” “may,” “would,” “should,” “intend,” “plan,” “potential,” “predict,” “will,” “expect,” “estimate,” “project,” “positioned,” “strategy,” “outlook”, “target” and similar expressions.

It is believed that the expectations reflected in this document are reasonable, but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual future financial condition, performance and results to differ materially from the plans, goals, expectations and results expressed in the forward-looking statements and other financial and/or statistical data within this communication.

Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are uncertainties related to the following: the impact of competition from illicit trade; the impact of adverse domestic or international legislation and regulation; changes in domestic or international tax laws and rates; adverse litigation and dispute outcomes and the effect of such outcomes on Airtel Africa’s financial condition; changes or differences in domestic or international economic or political conditions; the ability to obtain price increases and the impact of price increases on consumer affordability thresholds; adverse decisions by domestic or international regulatory bodies; the impact of market size reduction and consumer down-trading; translational and transactional foreign exchange rate exposure; the impact of serious injury, illness or death in the workplace; the ability to maintain credit ratings; the ability to develop, produce or market new alternative products and to do so profitably; the ability to effectively implement strategic initiatives and actions taken to increase sales growth; the ability to enhance cash generation and pay dividends and changes in the market position, businesses, financial condition, results of operations or prospects of Airtel Africa.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements contained in this document reflect the knowledge and information available to Airtel Africa at the date of preparation of this document and Airtel Africa undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements.

No statement in this communication is intended to be, nor should be construed as, a profit forecast or a profit estimate and no statement in this communication should be interpreted to mean that earnings per share of Airtel Africa plc for the current or any future financial periods would necessarily match, exceed or be lower than the historical published earnings per share of Airtel Africa plc.

Financial data included in this document are presented in US dollars rounded to the nearest million. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding. The percentages included in the tables throughout the document are based on numbers calculated to the nearest $1,000 and therefore minor rounding differences may result in the tables. Growth metrics are provided on a constant currency basis unless otherwise stated. The Group has presented certain financial information on a constant currency basis. This is calculated by translating the results for the current financial year and prior financial year at a fixed ‘constant currency’ exchange rate, which is done to measure the organic performance of the Group. Growth rates for our reporting regions and service segments are provided in constant currency as this better represents the performance of the business.

Glossary

Technical and industry terms

Company-related	
4G data customer	A customer having a 4G handset and who has used at least 1 MB of data on the Group network using any of GPRS, 3G and 4G in the last 30 days.
Airtel Money	Airtel Money is the brand name for Airtel Africa's mobile money products and services. The term is used interchangeably with 'mobile money' when referring to our mobile money business, finance, operations and activities.
Airtel Money ARPU (mobile money ARPU)	Mobile money average revenue per user. This is derived by dividing total mobile money revenue during the relevant period by the average number of active mobile money customers and dividing the result by the number of months in the relevant period.
Airtel Money customer base (mobile money customer base)	Total number of active subscribers who have enacted any mobile money usage event in the last 30 days.
Airtel money customer penetration (mobile money customer penetration)	The proportion of total Airtel Africa active mobile customers who use mobile money services. This is calculated by dividing the mobile money customer base by the Group's total customer base.
Airtel Money transaction value (mobile money transaction value)	The sum of all financial transactions performed on Airtel Africa's mobile money platform for the relevant period.
Airtel money transaction value per customer per month (mobile money transaction value per customer per month)	Calculated by dividing the total mobile money transaction value on the Group's mobile money platform during the relevant period by the average number of active mobile money customers and dividing the result by the number of months in the relevant period.
ARPU	Average revenue per user per month. This is derived by dividing total revenue during the relevant period by the average number of customers during the period and dividing the result by the number of months in the relevant period.
Average customers	The average number of active customers for a period. This is derived from the monthly averages during the relevant period. Monthly averages are calculated using the number of active customers at the beginning and the end of each month.
Broadband base stations	Base stations that carry either 3G and/or 4G capability across all technologies and spectrum bands.
Bundle penetration	The proportion of revenue contributed by bundled products as a percentage of the total revenue generated by the service.
Capital expenditure (capex)	An alternative performance measure (non-GAAP). This is defined as investment in gross fixed assets (both tangible and intangible but excluding spectrum and licences) plus capital work in progress (CWIP), excluding provisions on CWIP for the period.
Constant currency	The Group has presented certain financial information that is calculated by translating the results for the current financial year and prior financial years at a fixed 'constant currency' exchange rate, which is used to measure the organic performance of the Group. Growth rates for business and product segments are in constant currency as it better represents the underlying performance of the business. Constant currency growth rates for all the reported periods except 2023/24 is calculated using the closing exchange rate as at the end of the immediate prior reporting period. For instance, 2022/23 constant currency rate is closing exchange rate as of 31 March 2022. For 2023/24, constant currency growth rates are calculated using 31 March 2023 closing exchange rate for all reported regions and service segments except for Nigeria region and service segment. For the Nigeria region and service segment, constant currency growth rates have been calculated using 30 June 2023 closing exchange rate. In June 2023, the Central Bank of Nigeria (CBN) announced changes to the operations in the Nigerian Foreign Exchange Market, including the abolishment of segmentation, with all segments now collapsing into the Investors and Exporters (I&E) window and the reintroduction of the 'Willing Buyer, Willing Seller' model at the I&E window. As a result of this CBN decision, the Nigerian naira devalued against US Dollar by approximately 62%. This change announced by CBN led to a material impact on the Group's financial statements and for better representation of the performance of the business and comparability, the closing exchange rate as of 30 Jun 2023 i.e. NGN752.2/USD has been used for calculation of constant currency growth rates of Nigeria region and service segment.
Customer	Defined as a unique active subscriber with a unique mobile telephone number who has used any of Airtel's services in the last 30 days.
Customer base	The total number of active subscribers that have used any of our services (voice calls, SMS, data usage or mobile money transactions in the last 30 days.
Data ARPU	Data ARPU is derived by dividing total data revenue during the relevant period by the average number of data customers and dividing the result by the number of months in the relevant period.
Data customer base	The total number of subscribers who have consumed at least 1 MB of data on the Group network using any of GPRS, 3G or 4G in the last 30 days.
Data customer penetration	The proportion of customers using data services. Calculated by dividing the data customer base by the total customer base.

Company-related	
Data usage per customer	This is calculated by dividing the total MBs consumed on the Group's network during the relevant period by the average data customer base over the same period and dividing the result by the number of months in the relevant period.
Digitalisation	We use the term digitalisation in its broadest sense to encompass both digitisation actions and processes that convert analogue information into a digital form and thereby bring customers into the digital environment, and the broader digitalisation processes of controlling, connecting and planning processes digitally; the processes that affect digital transformation of our business, and of industry, economics and society as a whole through bringing about new business models, socio-economic structures and organisational patterns.
Diluted earnings per share	Diluted EPS is calculated by adjusting the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares actually been issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.
Earnings per share (EPS)	EPS is calculated by dividing the profit for the period attributable to the owners of the company by the weighted average number of ordinary shares outstanding during the period.
Environment, Social and Governance (ESG)	ESG is a framework designed to be embedded into an organisation's strategy that considers the needs and ways in which to generate value for all organisational stakeholders.
Foreign exchange rate movements for non-DTA operating companies and holding companies	Foreign exchange rate movements are specific items that are non-tax deductible in a few of our operating entities; hence these hinder a like-for-like comparison of the Group's effective tax rate on a period-to-period basis and are therefore excluded when calculating the effective tax rate.
GSMA	A global organisation representing mobile operators and organisations across the mobile ecosystem and adjacent industries.
Information and communication technologies (ICT)	ICT refers to all communication technologies, including the internet, wireless networks, cell phones, computers, software, middleware, video-conferencing, social networking, and other media applications and services.
IRU	Indefeasible Right of Use – a contractual agreement for a portion of the capacity/fiber of any fibre route.
Lease liability	Lease liability represents the present value of future lease payment obligations.
Leverage	An alternative performance measure (non-GAAP). Leverage (or leverage ratio) is calculated by dividing net debt at the end of the relevant period by the EBITDA for the preceding 12 months.
Mini-AMB	A compact outlet that offers the services of an Airtel Money Branch, currently being trialled in Zambia.
Minutes of usage	Minutes of usage refer to the duration in minutes for which customers use the Group's network for making and receiving voice calls. It is typically expressed over a period of one month. It includes all incoming and outgoing call minutes, including roaming calls.
Mobile services	Mobile services are our core telecom services, mainly voice and data services, but also including revenue from tower operation services provided by the Group and excluding mobile money services.
Mobile termination rates (MTR)	Mobile termination rates are the charges paid to the telecom operator on whose network a call is terminated.
Net debt	An alternative performance measure (non-GAAP). The Group defines net debt as borrowings, including lease liabilities less cash and cash equivalents, term deposits with banks, processing costs related to borrowings and fair value hedge adjustments.
Net debt to EBITDA	An alternative performance measure (non-GAAP). Calculated by dividing net debt as at the end of the relevant period by EBITDA for the last 12 months (LTM), from the end of the relevant period. This is also referred to as the leverage ratio.
Net revenue	An alternative performance measure (non-GAAP). Defined as total revenue adjusted for MTR (mobile transaction rates), cost of goods sold and mobile money commissions.
Network towers or 'sites'	Physical network infrastructure comprising a base transmission system (BTS) which holds the radio transceivers (TRXs) that define a cell and coordinates the radio link protocols with the mobile device. It includes all ground-based, roof top and in-building solutions.
Operating company (OpCo)	Operating company (or OpCo) is a defined corporate business unit, providing telecoms services and mobile money services in the Group's footprint.
Operating free cash flow	An alternative performance measure (non-GAAP). Calculated by subtracting capital expenditure from EBITDA.
Operating leverage	An alternative performance measure (non-GAAP). Operating leverage is a measure of the operating efficiency of the business. It is calculated by dividing operating expenditure (excluding regulatory charges) by total revenue.

Glossary continued

Company-related	
Operating profit	Operating profit is a GAAP measure of profitability. Calculated as revenue less operating expenditure (including depreciation and amortisation, and operating exceptional items).
Other revenue	Other revenue includes revenues from messaging, value added services (VAS), enterprise, site sharing and handset sale revenue.
Reported currency	Our reported currency is US dollars. Accordingly, actual periodic exchange rates are used to translate the local currency financial statements of OpCos into US dollars. Under reported currency the assets and liabilities are translated into US dollars at the exchange rates prevailing at the reporting date whereas the statements of profit and loss are translated into US dollars at monthly average exchange rates.
Smartphone	A smartphone is defined as a mobile phone with an interactive touch screen that allows the user to access the internet and additional data applications, providing additional functionality to that of a basic 'feature' phone which is used only for making voice calls and sending and receiving text messages.
Smartphone penetration	Calculated by dividing the number of smartphone devices in use by the total number of customers.
Total MBs on network	Total MBs of data consumed (uploaded and downloaded) by customers on the Group network using any of GPRS, 3G and 4G during the relevant period.
EBIT	An alternative performance measure (non-GAAP). Defined as operating profit.
EBITDA	An alternative performance measure (non-GAAP). Defined as operating profit before depreciation and amortisation.
EBITDA margin	An alternative performance measure (non-GAAP). Calculated by dividing EBITDA for the relevant period by revenue for the relevant period.
Unique mobile penetration	The number of individual mobile subscribers as a proportion of the total population. This metric adjusts for the use of multiple SIM cards by customers, to identify the degree of uptake of mobile services by individuals.
Unstructured Supplementary Service Data (USSD)	Unstructured Supplementary Service Data (USSD), also known as 'quick codes' or 'feature codes', is a communications protocol for GSM mobile operators, similar to SMS messaging. It has a variety of uses such as WAP browsing, prepaid callback services, mobile-money services, location-based content services, menu-based information services, and for configuring phones on the network.
Voice minutes of usage per customer per month	Calculated by dividing the total number of voice minutes of usage on the Group's network during the relevant period by the average number of customers and dividing the result by the number of months in the relevant period.
Weighted average number of shares	The weighted average number of shares is calculated by multiplying the number of outstanding shares by the portion of the reporting period those shares covered, doing this for each portion, and then summing the total.

Abbreviations

2G	Second-generation mobile technology
3G	Third-generation mobile technology
4G	Fourth-generation mobile technology
5G	Fifth-generation mobile technology
AAML	Airtel Africa Mauritius Limited
ARC	Audit and risk committee
ARPU	Average revenue per user
B2B	Business to business
bps	Basis points
bn	Billion
CAGR	Compound annual growth rate
CFD	Climate-related financial disclosures
CRO	Climate related risks and opportunities
CSR	Corporate social responsibility
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ERC	Executive Risk Committee
ESEF	European single electronic format
ExCo	Executive committee
Fiberco	Fiber Company
FRC	Financial reporting council
GAAP	Generally accepted accounting principles
GB	Gigabyte
GDP	Gross domestic product
GHG	Greenhouse gases
HoldCo	Holding company
HSE	Health, safety and environment
IAS	International accounting standards
IFRS	International financial reporting standards
IMF	International monetary fund
IMT	International money transfer
IPO	Initial public offering
ISO	International organization for standardization
KPIs	Key performance indicators
KYC	Know your customer
LTE	Long-term evolution (4G technology)
LSE	London Stock Exchange
LTM	Last 12 months
m	Million
MB	Megabyte
NCI	Non-controlling interest
NGO	Non-governmental organisation
NGX	Nigerian Exchange Limited
NIN	National identification number
OpCo	Operating company
P2P	Person to person
PAYG	Pay-as-you-go
ppts	Percentage points
QoS	Quality of service
RAN	Radio access network
SDG	Sustainable development goals
SERAs	Sustainability, enterprise and responsibility awards
SIM	Subscriber identification module
Single RAN	Single radio access network
SMS	Short messaging service
TB	Terabyte
TCFD	Taskforce for climate-related financial disclosure
Telecoms	Telecommunications
UoM	Unit of measure
USSD	Unstructured supplementary service data
VAT	Value added tax

General shareholders' information

Annual General Meeting

Date	3 July 2024
Day	Wednesday
Time	11am BST
Venue	53/54 Grosvenor Street, London W1K 3HU, United Kingdom

Dividend

Ex-dividend date for final dividend	20 June 2024
Record date for final dividend	21 June 2024
AGM	3 July 2024
Final dividend payment	3.57 cents per ordinary share

Financial calendar

Financial year: 1 April to 31 March.

Airtel Africa plc share price

Airtel Africa's ordinary shares have a premium listing on the London Stock Exchange's main market for listed securities and are listed under the symbol AAF. Current and historical share price information is available on our website: www.airtel.africa.

Shareholders as at 31 March 2024

Number of ordinary shares held	Number of accounts	Number of shares	% of total issued shares
1-1,000	39	16,618	0.00
1,001-5,000	53	149,999	0.00
5,001-50,000	139	3,351,216	0.09
50,001-100,000	44	3,302,777	0.09
100,001-500,000	108	28,178,842	0.75
More than 500,000	132	3,715,762,197	99.07
Totals	**515**	**3,750,761,649**	**100%**

Warning to shareholders ('boiler room' scams)

In recent years, many companies have become aware that their shareholders have received unsolicited calls or correspondence concerning investments. These callers typically make claims of highly profitable opportunities in UK investments that turn out to be worthless or simply do not exist. These approaches are usually made by unauthorised companies and individuals and are commonly known as 'boiler room' scams. Airtel Africa plc shareholders are advised to be extremely wary of such approaches and to only deal with firms authorised by FCA. See the FCA website at fca.org.uk/scamsmart for more information about this and similar activities.

Registrar and transfer agent

All the work related to share registry, both in physical and electronic form, is handled by our registrar and transfer agent at the address mentioned in the communication addresses section.

Communication addresses

	Contact	Email	Address
For corporate governance and other secretarial related matters	Simon O'Hara Group company secretary	investor.relations@africa.airtel.com	First Floor, 53/54 Grosvenor Street, London W1K 3HU, UK Tel: +44 (0)207 493 9315
For queries relating to financial statements and corporate communication matters	Alastair Jones Head of investor relations	investor.relations@africa.airtel.com	First Floor, 53/54 Grosvenor Street, London W1K 3HU, UK Tel: +44 (0)207 493 9315
Registrar and transfer agent	Computershare Investor Services PLC	webqueries@computershare.co.uk	The Pavilions, Bridgwater Road, Bristol BS99 6ZY, UK
	Coronation Registrars Limited	customercare@coronationregistrars.com	9 Amodu Ojikutu Street, Victoria Island, Lagos, Nigeria Tel: +234 2012 272570

Auditor's ESEF Assurance statement

Independent auditor's reasonable assurance report to the Members of Airtel Africa plc on the compliance of the Electronic Format Annual Financial Report with Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R-DTR 4.1.18R

Report on compliance with the requirements for iXBRL mark up ('tagging') of consolidated financial statements included in the Electronic Format Annual Financial Report

We have undertaken a reasonable assurance engagement on the iXBRL mark up of consolidated financial statements for the year ended 31 March 2024 of Airtel Africa plc (the "company") included in the Electronic Format Annual Financial Report prepared by the company.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 March 2024 of the company included in the Electronic Format Annual Financial Report, are marked up, in all material respects, in compliance with DTR 4.1.15R-DTR 4.1.18R.

The directors' responsibility for the Electronic Format Annual Financial Report prepared in compliance with DTR 4.1.15R-DTR 4.1.18R

The directors are responsible for preparing the Electronic Format Annual Financial Report. This responsibility includes:

- the selection and application of appropriate iXBRL tags using judgement where necessary;
- ensuring consistency between digitised information and the consolidated financial statements presented in human-readable format; and
- the design, implementation and maintenance of internal control relevant to the application of DTR 4.1.15R-DTR 4.1.18R.

Our independence and quality control

We have complied with the independence and other ethical requirements of Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We apply International Standard on Quality Monitoring (ISQM) 1 and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express an opinion on whether the iXBRL mark up of consolidated financial statements complies in all material respects with DTR 4.1.15R-DTR 4.1.18R based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (UK) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE (UK) 3000') issued by the FRC.

A reasonable assurance engagement in accordance with ISAE (UK) 3000 involves performing procedures to obtain reasonable assurance about the compliance of the mark up of the consolidated financial statements with the DTR 4.1.15R-DTR 4.1.18R. The nature, timing and extent of procedures selected depend on the practitioner's judgement, including the assessment of the risks of material departures from the requirements set out in DTR 4.1.15R-DTR 4.1.18R, whether due to fraud or error. Our reasonable assurance engagement consisted primarily of:

- obtaining an understanding of the iXBRL mark up process, including internal control over the mark up process relevant to the engagement;
- reconciling the marked up data with the audited consolidated financial statements of the company dated 8 May 2024;
- evaluating the appropriateness of the company's mark up of the consolidated financial statements using the iXBRL mark-up language;
- evaluating the appropriateness of the company's use of iXBRL elements selected from a generally accepted taxonomy and the creation of extension elements where no suitable element in the generally accepted taxonomy has been identified; and
- evaluating the use of anchoring in relation to the extension elements.

In this report we do not express an audit opinion, review conclusion or any other assurance conclusion on the consolidated financial statements. Our audit opinion relating to the consolidated financial statements of the company for the year ended 31 March 2024 is set out in our Independent Auditor's Report dated 8 May 2024.

Use of our report

Our report is made solely to the company's members, as a body, in accordance with ISAE (UK) 3000. Our work has been undertaken so that we might state to the company those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our work, this report, or for the conclusions we have formed.

Daryl Winstone FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
London, United Kingdom

7 June 2024

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